

TRANSMITTAL

To:

THE COUNCIL

Date:

OCT 19 2011

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Janelle Erickson)



ANTONIO R. VILLARAIGOSA

Mayor

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 17, 2011

To: Honorable Antonio R. Villaraigosa, Mayor of Los Angeles
Attention: Pamela Finley, Legislative Coordinator

From: Dorothy Tate, Acting Commission Executive Assistant
Board of Transportation Commissioners

Subject: **REQUEST THE AUTHORITY FOR THE GENERAL MANAGER TO EXECUTE AND EXCLUSIVE NEGOTIATION AGREEMENT (ENA) WITH FOREST CITY RESIDENTIAL WEST INC. AND TO DELEGATE JOINT PROJECT MANAGEMENT AND NEGOTIATING POWERS TO CRA/LA AND THE OFFICE OF THE CHIEF LEGISLATIVE ANALYST FOR THE BLOSSOM PLAZA PROJECT IN CHINATOWN**

Dorothy Tate

At its regular meeting of October 13, 2011, the Board of Transportation Commissioners approved the above referenced report. After your review, please forward it to the City Clerk's office for Council consideration. A copy of the Board's action is attached for your information.

If you need further information, please contact Rene Sagles, Parking Facilities Division at (213) 972-8464.

DT

Attachments

C: Rene Sagles
Jasmin San Luis

BOARD REPORT
CITY OF LOS ANGELES
DEPARTMENT OF TRANSPORTATION

Council District 1
Lot # 766

DATE: October 13, 2011

TO: Board of Transportation Commissioners

SUBJECT: **REQUEST THE AUTHORITY FOR THE GENERAL MANAGER TO EXECUTE AN EXCLUSIVE NEGOTIATION AGREEMENT (ENA) WITH FOREST CITY RESIDENTIAL WEST INC. AND TO DELEGATE JOINT PROJECT MANAGEMENT AND NEGOTIATING POWERS TO CRA/LA AND THE OFFICE OF THE CHIEF LEGISLATIVE ANALYST FOR THE BLOSSOM PLAZA PROJECT IN CHINATOWN**

RECOMMENDATIONS:

That your Board:

1. Request the **AUTHORITY** for the General Manager to execute an Exclusive Negotiation Agreement (ENA) to develop the Blossom Plaza mixed-use development and inter-modal transportation facilities located at 900 N. Broadway, Los Angeles leading to the execution of a Disposition Development Agreement (DDA).
2. **APPROVE** the delegation of joint project management and negotiating powers to Department of Transportation (LADOT), CRA/LA, and the Office of the Chief Legislative Analyst (CLA).
3. **RECOMMEND** that the City Council, subject to the approval of the Mayor, **APPROVE** and **AUTHORIZE** the General Manager to execute an ENA with the selected developer, Forest City Enterprises, for the aforementioned Blossom Plaza development.
4. **RECOMMEND** that the City Council, subject to the approval of the Mayor, **APPROVE** and **AUTHORIZE** the receipt of One Hundred Thousand Dollars (\$100,000) from Forest City Residential West, Inc.,

as a good faith and consultant cost reimbursement deposit, to ensure that the developer will proceed diligently and in good faith to negotiate and perform all of developer's obligations under the ENA by LADOT and to be deposited to a designated account solely for the purpose as contained in the ENA.

5. **RECOMMEND** that the City Council, subject to the approval of the Mayor, **APPROVE** and **AUTHORIZE** the re-appropriation of the One hundred Thousand Dollars (\$100,000) to pay for the Agencies' costs and expenses in negotiating and preparing the DDA and complying with planning and environmental review.

INITIATED BY:

Under CF #01-0147, there were four (4) planned development projects along North Alameda in the area bordering Chinatown. These development projects were: (1) a joint development project in connection with the Chinatown Station of Los Angeles, to Pasadena Blue Line which will include mixed use housing, commercial and retail space; (2) a potential hotel and retail space on the former Little Joe's restaurant site; (3) an office and live/work complex at Capital Milling, and (4) a senior day care facility. The City Council designated the Chief Legislative Analyst (CLA) as the lead agency in overseeing the development of these projects and formulates a working group of all concerned agencies, including but not limited to the Department of Planning, Department of Transportation (LADOT), Public Works, Community Development Department (CDD), Department of Water & Power (DWP), Community Redevelopment Agency (CRA) and the Los Angeles to Pasadena Metro Blue Line Construction Authority to proceed with the steps necessary to complete negotiations for the aforementioned projects and bring them back to the Council for entitlements and final actions.

Pursuant to Section 22.484 (g) of the Los Angeles Administrative Code, your Board has the power, duty and responsibility of coordinating, directing, and managing all matters respecting the acquisition, and thereafter the management, of all public off-street parking places by the City, except for those parking facilities which are under jurisdiction or control of departments controlling their own funds.

BACKGROUND

The Blossom Plaza project is located at the site of the old Little Joe's restaurant, which closed in 1998 and adjacent to the Gold Line Chinatown station.

The intermodal transportation component of the project includes public parking spaces, stops for MTA and DASH buses, bicycle service center and other transportation connection services.

A main feature of the project is a level walkway between the Gold Line Chinatown Station and Broadway that will provide convenient connection between shopping opportunities in Chinatown and the rail line. Part of this connection is an 18,000-square foot plaza that would be programmed for cultural activities.

DISCUSSION

On May 2005 under CF 05-0758, the City Council authorized the General Manager of LADOT to prepare and submit all necessary applications documents for the 2005 Federal budget funding to support the development of the intermodal transportation element of the Blossom Plaza project. These were the FTA5309, FTA5302, STPL, and ITS grant funds, with a total of more than \$6.0 million.

On January 31, 2007, the City Council approved a series of recommendations relating to the development of the Blossom Plaza intermodal and mixed use project in Chinatown (CF#07-0128) at 900 N. Broadway. Included in the recommendations were funding from Special Parking Revenue Fund (SPRF) in the amount of \$3.5 million for the construction of the 100 public parking spaces; CDBG funds in the amount of \$3.8 million to be used to supplement the land purchase cost; \$8.3 million from Metro Gold Line Enhancement Funds; \$1.45 million in FTA 5309 for the intermodal transportation elements of the project, including bike racks, taxi and commuter drop-off parking areas, connection to local Metro and DASH buses and the transit walkway between Metro Gold Line Station and Broadway; \$1.5 million in FTA 5302 and \$3.09 million in FTA STPL both for 75 public parking spaces that will be offered as first priority to commuters during high-demand transit hours. This motion also contained the City Council's authority for the General Manager, LADOT, to execute on behalf of the City the Chinatown Blossom Plaza Purchase and Sale Agreement and Joint Escrow by and between Chinatown Blossom Plaza, LLC, developer, and the City.

In August 2008, the developer (Chinatown Blossom Plaza LLC) was unable to make a critical payment when two (2) loans with a total value of more than Sixteen Million Dollars (\$16.0 Million) matured. The lender, Prime Property Fund ("Prime"), initiated foreclosure and in June 2009, ownership of the property was transferred to Prime.

In June 2010, the CLA recommended that the City Council authorize City staff to negotiate a Purchase and Sale Agreement (PSA) to provide for the acquisition of

900 N. Broadway for the purpose of building an intermodal transit center and mixed-use development, within existing entitlements (Attachment A).

Public funds from several participating City agencies were secured to purchase the Blossom Plaza site. Funding sources used to acquire the property came from: Special Parking Revenue Fund (SPRF), Gold Line Amenity Funds, Federal Transportation Administration (FTA) grants and Chinatown Redevelopment Tax Increment and Housing Trusts funds.

One of the recommendations contained in the CLA's report in June 2010 was authorizing CRA/LA to issue a Request for Proposal (RFP) to develop the 900-924 N. Broadway, 215-219 College Street and 901 Spring Street properties as an intermodal transportation center and mixed-use development consistent with the existing entitlements and environmental approvals. Blossom Plaza site is a City-owned, fully entitled 1.9 acre adjacent to the Gold Line Chinatown station.

The purpose for the Blossom Plaza project is to generate a community serving facility with residential, commercial and transit oriented an element that is culturally significant. The project is envisioned to act as a medium to reinvigorate Chinatown.

The Exclusive Negotiation Agreement (ENA) to be executed by the General Manager, LADOT, on behalf of the City, between and by Forest City Residential West Inc. established the exclusive negotiation rights between the City and the Developer to negotiate the terms and conditions of a Disposition Development Agreement (DDA) for the development of the Blossom Plaza project on the site.

Among the issues to be addressed are the following:

1. Site disposition or ground lease terms;
2. Development programs to be constructed;
3. Total development cost of the project;
4. the nature and amount of financial investment in the project by the Developer and the City;
5. Remediation of any adverse site conditions;
6. Developer's responsibility to obtain any necessary entitlements and any environmental clearances,
7. Schedule of performance for the project;
8. Financing of the project;
9. Residential affordability levels, retail and commercial tenant selection and letters of interest;
10. Cultural facility and plaza marketing and operations;
11. Signage program, bicycle station and parking operations
12. Design and aesthetic considerations, site layout;
13. Preliminary designs and architectural concepts and plans;

14. The quality and type of construction, and
15. The provision of public improvements, community benefits related to the project and the cooperation and/or assistance to be provided by Agencies to the Developer;
The minimum development program elements that will be included in the DDA include:

1. Turnkey public parking facility to be owned and operated by LADOT;
2. Multi-modal transit hub;
3. Physical and visual connections from street to adjacent properties such as the Capitol Milling Building;
4. A minimum of Two hundred (200) residential units with not less than fifty-three (53) affordable units or twenty percent (20%) of the total residential units constructed, whichever is higher;
5. A public plaza designed to accommodate for cultural activities and programming;
6. At least one hundred nine (109) permanent living wage job opportunities, fifty-one (51) of which are to local residents (citizens living within three (3) mile radius of the project); and
7. The project is to be designed and developed using best practices in green building to achieve California Green Building Standards Level Silver.

A report dated October 6, 2011 to the CRA/LA Board of Commissioners was submitted as an update of the status of the Blossom Plaza RFP and ENA processes with the selected respondent, Forest City. The report outlined the next steps relative to the execution of an ENA leading to the negotiation and reaching agreement on the general terms and conditions of a DDA (Attachment B).

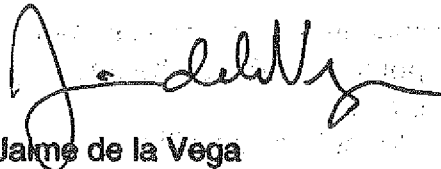
FISCAL IMPACT

The development of the Blossom Plaza site will not impact the General Fund as all funding has been previously approved for this project or is provided by other agencies.

CONCLUSION

LADOT requests the Board's approval of all the recommendations as contained in this board report to develop the 900-924 Broadway, 215-219 College Street and 901 Spring Street properties for the Blossom Plaza project as an intermodal transportation center and mixed-use development in accordance with the existing entitlements and environmental approvals.

Submitted by:



Jaime de la Vega
General Manager
Department of Transportation

Date: 10/05/11

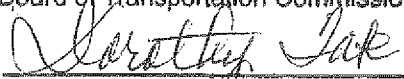
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Attachments

Cc: Councilmember Jose Reyes, First Council District
Amir Sedadi, AGM, LADOT
Jenny Scanlin, CRA
John Wickham, CLA
Rene Sagles, LADOT

Report amended as follows:

The fee shall be escalated annually using the Consumer Price Index for All Items, All Urban Consumers for the Los Angeles-Riverside-Orange County, California area published by the Bureau of Labor Statistics of the U.S. Department of Labor.

Approved: October 13, 2011
Board of Transportation Commissioners

Commission Executive Assistant



Los Angeles City Planning Commission

200 North Spring Street, Room 532, City Hall, Los Angeles, CA 90012
www.cityofla.org/PLN/index.htm

DEC 03 2007

Determination Mailing Date: _____

Department of Building and Safety
 201 N. Figueroa Street
 Counter B, Fourth Floor

Applicant: Lawrence S. Bond,
 Chinatown Gold Line Station, LP

CASE NO. CPC 2004-4139-CUB-ZV-ZAD

Location: 900-924 Broadway, 215-219 College Street,
 Spring Street
 Council District: No. 1
 Plan Area: Central City North
 Request: Plan Approval - Conditional Use – Zone Variance

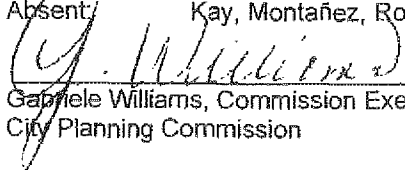
At its meeting on November 8, 2007, the following action was taken by the City Planning Commission:

1. **Approved** a mixed-use development with a maximum Floor Area Ratio (FAR) of 6:1, subject to the attached Conditions of Approval.
2. **Approved** a Zone Variance from Section 12.21.A 4 (a) to allow 197 parking spaces for the residential portion of the project.
3. **Approved** a master Conditional Use to permit the sale of a full line of alcoholic beverages for eight (8) businesses including three restaurants providing on-site consumption; two lounges providing on-site consumption, one catering establishment serving alcohol for special events on the Cultural Plaza; one wine bar providing on-site tasting and off-site sale of beer and wine, and one retail establishment providing a full line of alcoholic beverages for off-site sale, subject to the attached Conditions of Approval.
4. **Approved** a Conditional Use to permit entertainment, specifically dancing in two of the commercial venues, (one of the lounges and the other for the Cultural Plaza during special events) subject to the attached Conditions of Approval.
5. **Approved** a Zoning Determination to permit two or more uses to share off-street parking spaces within the project development.
6. **Approved** a Zoning Determination to permit a ten percent reduction of the number of commercial parking spaces required for a project located within 1,500 feet from the portal of a fixed rail transit station, bus station or similar transit facility.
7. **Adopted** Mitigated Negative Declaration No. ENV-2004-4140-MND Addendum.
8. **Adopted** the attached Findings.
9. **Advised** the applicant that, pursuant to California State Public Resources Code Section 21081.6, the City shall monitor or require evidence that the mitigation conditions, identified as "(MM)" on the condition pages, are implemented and maintained throughout the life of the project and the City may require any necessary fees to cover the cost of such monitoring.

Fiscal Impact Statement: There is no General Fund impact as administrative costs are recovered through fees.

This action was taken by the following vote:

Moved: Woo
 Seconded: Hughes
 Ayes: Cardoso, Freer, Kezios, Usher
 Absent: Kay, Montañez, Roschen


 Gabriele Williams, Commission Executive Assistant II
 City Planning Commission

Effective Date / Appeals: The Commission's determination will be final 15 days from the mailing date of this determination unless an appeal is filed to the City Council within that time. All appeals shall be filed on forms provided at the Planning Department's Public Counters at 201 N. Figueroa Street, Fourth Floor, Los Angeles, or at 6262 Van Nuys Boulevard, Suite 251, Van Nuys.

FINAL APPEAL DATE: DEC 18 2007

The time in which a party may seek judicial review of this determination is governed by California Code of Civil Procedure Section 1094.6. Under that provision, a petitioner may seek judicial review of any decision of the City pursuant to California Code of Civil Procedure Section 1094.5, only if the petition for writ of mandate pursuant to that section is filed no later than the 90th day following the date on which the City's decision becomes final.

CONDITIONS OF APPROVAL**A. Entitlement Conditions**

1. **Use.** The Project as approved is for a mixed-use development consisting of two buildings totaling 360,071 square feet (316,840 square feet of residential and 43,231 square feet of commercial space), a maximum of 128-feet in height in the C2-2 and [Q]C2-2 Zones. A maximum density of 262 residential dwelling units is permitted however of the total, a minimum of 20% shall be set aside to meet the affordable housing requirements as set forth below in Condition 5. A 17,642 square foot public open space Cultural Plaza shall be permitted as part of the total development.

The Project shall also include an intermodal parking area adjacent to the Chinatown Gold Line Station that provides 35 parking spaces for commuter vans and buses, 5 parking spaces for taxis, and a minimum of 20 bicycle parking spaces.

2. **Site Plan.** Prior to the issuance of any building permits for the subject Project, detailed development site and elevation plans including complete landscape and irrigation plan by a licensed landscape architect or architect, shall be submitted for review and approval by the Department of City Planning for verification of compliance with the imposed conditions. The plans shall be in substantial conformance with the site plans labeled as Exhibit "A" stamped and dated November 8, 2007, or as modified by the City Planning Commission attached to the subject case file. Minor deviations may be allowed in order to comply with provisions of the L.A.M.C., the subject conditions, and the intent of the subject permit authorization.
3. **Floor Area Ratio.** The maximum floor area permitted is 6:1 based on the project plans submitted and approved by the City Planning Commission on November 8, 2007.
4. **Parking.** A total of 372 parking spaces shall be provided. Of the total, 197 parking spaces shall be dedicated for use by the residents of the dwelling units. The Transportation Demand Management Plan for the Project shall provide as a market incentive and to encourage the use of public transportation, that the value of each residential parking space be separately calculated from the rental or purchase value of each dwelling unit.
5. **Affordable Housing.** Prior to the issuance of a building permit, the applicant shall submit evidence to the Planning Department of a funding agreement approved by the Community Redevelopment Agency and the City Council for the 20% affordable housing requirement. Subject to approval, such funding arrangement shall provide for a minimum 12.5% of the rental units be set aside for moderate income families of not more than 120% of area median income and 7.5% of the rental units to be set aside for workforce housing for families earning not more than 150% of area median income. The Applicant may designate a percentage of the set aside units for low to very low income families to meet 20% affordable housing requirement. Provided however a Tract Map approval shall require that the 20% affordable housing requirement be met by providing at a minimum at least 10% set aside for moderate income families of not more than 120% of area median income and 10% set aside as workforce housing for families earning not more than 150% of area median income.
6. **Open Space.** The Cultural Plaza open space shall be permitted to be counted toward the open space requirements of the residential dwelling units.
7. **LEED Certification.** Prior to the issuance of a building permit, the applicant shall submit documentation and plans verifying application for the Leadership in Energy and Environmental Design (LEED) rating system, with a minimum level of "LEED Gold" certification (Reference: www.usgbc.org/), to the satisfaction of the Department of City Planning. The project plans shall address the development's sensitivity to the environment, resources and energy consumption, the impact on people (quality and health of work environment), and financial impact (cost-effectiveness/savings in comparison to standard development practices).

B. Environmental Conditions

8. **Air Quality (Construction).**

- a) Chemical soil stabilizers shall be applied, according to manufacturer's specifications, to all inactive construction areas (previously graded areas which remain inactive for 96 hours), including the soil that would be used for the earthen berm.
- b) Reduce traffic speeds on all unpaved surfaces to 15 miles per hour or less.
- c) No open burning of vegetation during project construction..
- d) Reestablishment of ground cover as soon as possible after construction..
- e) Suspension of grading activities when winds exceed 25 mph..
- f) Enclose, cover or water twice daily all soil piles and exposed surfaces.
- g) Keep all designated haul routes clean of any loose soil associated with soil transportation.
- h) Cover loads of all haul/dump trucks securely.
- i) Minimize idling time to 10 minutes.
- j) Use low sulfur fuel for stationary construction equipment, if feasible.
- k) Use architectural coatings which contain a VOC rating of 125 grams/liter or less.

9. Cultural Resources (Archaeological and Paleontological)

- a) An archaeological monitor would be required during all phases of ground disturbing activities including, but not limited to: excavation, utility and infrastructure construction and grading. Should potentially important cultural deposits be encountered in the course of the construction, work shall be temporarily diverted from the vicinity of the discovery until the monitoring archaeologist can identify and evaluate the importance of the find, conduct any appropriate assessment, and implement mitigation measures, if necessary.
- b) If any paleontological materials are encountered during the course of the project development and construction activities, in the immediate vicinity of the find, shall be temporarily halted.
- c) The services of a paleontological shall be secured by contacting the Center for Public Paleontological (USC, UCLA, California State University at Los Angeles, California Stat University at Long Beach or the County Museum), to assess the resources and evaluate the impact..
- d) Copies of the paleontological survey, study or report shall be submitted to the Los Angeles County Natural History Museum.

10. Geology and Soils

- a) The design and construction of the project shall conform to the Uniform Building Code seismic standards as approved by the Department of Building and Safety.
- b) All areas of construction should be fine-graded to direct runoff to the street or to the nearest available storm drain.
- c) Prior to issuing a grading permit, the applicant should obtain a haul route approval for the export materials from the City and should comply with applicable restrictions.
- d) During construction, exposed earth surfaces shall be sprayed with water by the contractor to minimize dust generation.
- e) A registered civil engineer practicing geotechnical engineering, or his representative shall be present on-site to observe grading operations and to observe foundation excavations.
- f) Specifications for site grading shall be subject to approval by the City Engineer or other responsible agency.
- g) Where there is sufficient space for sloped excavations, temporary cut slopes may be made at a 1 1/2:1 or 1:1 (horizontal to vertical) gradient with the 1 1/2:1 slope made adjacent to existing structures. However, the stability of the graded slope shall be addressed during the site-specific geotechnical investigation, and when grading plans are completed for the proposed development. Excavations up to 4 feet in height may be able to be cut vertically.
- h) If temporary excavation slopes are to be maintained during the rainy season, it will be necessary to direct all drainage away from the top of the slope. No water shall be allowed to flow uncontrolled over the face of any temporary or permanent slope.
- i) Water shall not be allowed to pond at the top of the excavation or allowed to flow into the excavation.
- j) Where sufficient space for sloped excavations is not available, shoring shall be used. The shoring system may consist of soldier piles and lagging. The recommendations presented in the site-specific geotechnical investigation report for the proper design of the shoring system shall be followed.

- k) Final shoring plans and specifications shall be reviewed and approved by a civil engineer practicing geotechnical engineering to the satisfaction of the Department of Building and Safety.
- l) Recommendations presented in the site-specific geotechnical investigation report for design of walls below grade to support the lateral earth pressure and the additional surcharges from the adjacent buildings and traffic shall be followed.
- m) A drainage system shall be placed at the back of and/or the base of building walls below grade and above the anticipated high ground-water table.
- n) Suspect or visibly impacted soil or groundwater shall be analyzed to assess the contamination potential.

11. Hazards and Hazardous Materials

- a) Mitigation for hydrogen sulfide gas is required; however, because the project requires compliance with the City's methane ordinance, hydrogen sulfide would be vented by the same system required for venting methane gas. No additional venting system or other mitigation is required.
- b) A monitoring and alarm system to detect the presence and concentration of hydrogen sulfide shall be installed in the parking structure to the satisfaction of the Fire Department Technical Section. The monitoring system shall trigger the operation of the methane venting systems when the threshold of 0.3 ppm (1-hour average) or the odor detection threshold is reached.

12. Hydrology and Water Quality.

During construction, the project applicant shall implement all applicable and mandatory Best Management Practices (BMPs) in accordance with the SUSMP and City of Los Angeles Stormwater Management Program. These BMPs shall include, but not be limited, to the following:

- Erosion control procedures shall be implemented for exposed area
- Appropriate dust suppression techniques, such as watering or tarping, shall be used.
- Construction entrances shall be designed to facilitate removal of debris from vehicles exiting the site.
- Truck loads shall be tarped.
- All construction equipment and vehicles shall be inspected for and leaks repaired according to a regular schedule, specified in the Grading Plan approved by the Department of Building and Safety.

13. Noise

- a) Construction activities shall be limited to the hours of 7:00 A.M. to 6:00 P.M. Monday through Friday, and 8:00 A.M. to 6:00 P.M. on Saturday and Sunday.
- b) All construction equipment engines shall be properly tuned and muffled according to manufacturers' specifications.
- c) Noise construction activities whose specific location on the site may be flexible (e.g., operation of compressors and generators, cement mixing, general truck idling) shall be conducted as far as possible from the nearest noise-sensitive land uses, and natural and/or manmade barriers (e.g., intervening construction trailers) shall be used to screen propagation of noise from such activities towards these land uses to the extent possible.
- d) The use of those pieces of construction equipment or construction methods with the greatest peak noise generation potential shall be minimized. Examples include the use of drills, jackhammers, and pile drivers.
- e) Barriers such as plywood structures or flexible sound control curtains shall be erected along Broadway to minimize the amount of noise the temple facility shall be subject to.
- f) Equipment warm-up areas, water tanks, and equipment storage areas shall be located a minimum of 150 feet from the temple facility, where feasible.
- g) Flexible sound control curtains shall be placed around drilling apparatus and drill rigs, if sensitive receptors are located nearby.

14. Public Services (Fire).

Recommendations of the Fire Department relative to fire safety shall be incorporated into the building plans, which includes the submittal of a plot plan for approval by the Fire Department either prior to the recordation of a final map or the issuance of a building permit. The plot plan shall include the following minimum design features: fire lanes, where required, shall be a minimum of 20 feet in width; all structures must be within 300 feet of an approved fire hydrant, and entrances to any dwelling unit or guest room, shall no be more than 150 feet in distance in horizontal

travel from the edge of the roadway of an improved street or approved fire lane.

15. Public Services (Police).

- a) Parking facilities shall be made secure by the use of security cameras or other such device.
- b) Access control to the residential portion of the buildings.
- c) Design public and semi-public space to be well illuminated and with a minimum of dead space to eliminate concealment.
- d) Plot Plans, including lighting and landscaping information, shall be submitted to the Los Angeles Police Department Crime Prevention Unit for review.
- e) The availability of recycled water should be investigated as a source to irrigate large landscaped areas.
- f) Significant opportunities for water savings exist in air conditioning systems that utilize evaporative cooling (i.e., employ cooling towers). LADWP should be contacted for specific information on appropriate measures.
- g) Recirculating or point-of-use hot water systems can reduce water waste in long piping systems where water must be run for considerable periods before heated water reaches the outlet.
- h) Water saving clothes washers and dishwashers are now available from many manufacturers and should be used where available.
- i) The project shall include a holding tank large enough to hold three times the project daily wastewater flow so that the tank would hold all project wastewater during peak wastewater flow periods for discharge into the wastewater collection system during off-peak hours.

16. Schools. Payment of school fees shall be made to the Los Angeles Unified School District to offset the impact of additional student enrollment at schools serving the project area

17. Recreation and Parks Fees. The applicant shall comply with the proposed project Quimby fees as determined by the City of Los Angeles Recreation and Parks Department.

18. Waste Disposal. All waste shall be disposed of properly. Use appropriately labeled recycling bins. Recycle construction materials including: solvents, water-based paints, vehicle fluids, broken asphalt and concrete, wood and vegetation. Non-recyclable materials/wastes must be taken to an appropriate landfill. Toxic wastes must be discarded at a licensed regulated disposal site. Clean up leaks, drips, and spills to prevent contaminated soil on paved surfaces.

C. Conditional Use

19. The conditional use authorization granted herein for the sale of alcoholic beverages for off-site and on-site consumption shall be limited to a total of eight (8) licenses. The breakdown of the licenses are as follows: three (3) sit down restaurants with a full line of alcoholic beverages for on-site consumption with food service (Type 47 general eating place establishments); one (1) retail establishment selling a full line of alcoholic beverages for off-site consumption; two (2) lounge/bars with a full line of alcoholic beverages for on site consumption (Type 48 stand alone bar establishment), one of the lounges shall be permitted live entertainment and dancing; one (1) wine bar serving wine and beer for on site tasting and for purchasing for off-site consumption; one (1) catering establishment for food and alcohol service at special events on the Cultural Plaza. The following conditions shall also apply:

- a) The applicant or individual operator shall file a Plan Approval with the Department of City Planning prior to the utilization of any grant made herein pursuant to the sale of alcoholic beverages and for permission of on-site entertainment use. Each plan approval shall be accompanied by the payment of appropriate fees, pursuant to Section 19.01 C of the Municipal Code, and must be accepted as complete by the Department of City Planning. Mailing labels shall be provided by the applicant for all abutting property owners. In reviewing the plan approvals for alcohol sales and consumption, the Director of Planning may consider conditions volunteered by the applicant or suggested by the Police Department, but not limited to establishing conditions, as applicable, on the following: hours of operation, security plans, maximum seating capacity, valet parking, noise, character and nature of operation, food service and age limits.

- b) Prior to the issuance of any permits relative to this matter, the applicant shall submit an overall security plan for the project site which shall be prepared in consultation with the Los Angeles Police Department and which addresses security measures for the protection of residents, visitors, and employees. The project shall include appropriate security design features for semi-public and private spaces, which may include, but shall not be limited to: access control to buildings; secured parking facilities; walls/fences with key security; lobbies, corridors and elevators equipped with electronic surveillance systems; well-illuminated public and semi-public space designed with a minimum of dead space to eliminate areas of concealment; and location of toilet facilities or building entrances in high foot traffic areas. Under the plan approval process individual security plans for each use may also be considered and required.
- c) The alcoholic beverage license for the restaurants shall not be exchanged for "public premises" licenses unless approved through a new conditional use authorization. "Public Premises" is defined as a premise maintained and operated for sale or service of alcoholic beverages to the public for consumption on the premises, and in which food is not sold to the public as a bona fide eating place.
- d) The sale of on-site alcoholic beverages shall be limited to the hours between 11:00 AM and 2:00 AM.
- e) The owners, operators, managers, and all employees serving alcohol to patrons shall enroll in and complete a certified training program is recognized by the State Department of Alcoholic Beverage Control for the responsible service of alcohol. This training shall be completed by new employees within four weeks of employment and shall be completed by all employees serving alcoholic beverages every 24 months.
- f) All establishments applying for an Alcoholic Beverage Control license shall be given a copy of these conditions prior to executing a lease and these conditions shall be incorporated into the lease. Furthermore, all vendors of alcoholic beverages shall be made aware that violations of these conditions may result in revocation of the privileges of serving alcoholic beverages on the premises.
- g) 24-hour telephone hot line shall be provided to residents and local neighborhood associations for reporting of any complaints. The hotline shall be answered promptly at all times to receive and resolve complaints regarding the operation of the center, including any of its establishments, or violations of the permit.
- h) A phone number to a responsible representative of the owner shall be posted at each establishment for the purposes of allowing residents to report an emergency or a complaint about the method of operation of any facility serving alcoholic beverages.
- i) The project site managers, individual business owners and employees of all private security officers shall adhere to and enforce the 10 p.m. curfew loitering laws concerning all minors within the grounds of the project site without a parent or adult guardian. Staff shall monitor the area under its control, in an effort to prevent the loitering of persons about the premises.
- j) A "Designated Driver Program" shall be operated to provide an alternative driver for restaurant or bar patrons unable to safely operate a motor vehicle.
- k) All personnel acting in the capacity of a manager of the premises and all personnel who serve alcoholic beverages shall attend the Standardized Training for Alcohol Retailers (STAR) sponsored by the Los Angeles Police Department at the session immediately following the opening of the food market. All employees who serve alcoholic beverages shall attend follow-up STAR classes every 24 months.
- l) All public telephones shall be located within the interior of the establishment structure. No public phones shall be located on the exterior of the premises under the control of the establishment.
- m) No employee shall solicit or accept any beverage from any customer while in the premises. No employee or agent shall be permitted to accept money or any other thing of value from a

customer for the purpose of sitting or otherwise spending time with customers while in the premises, nor shall the licensee provide, permit or make available, either gratuitously or for compensation, male or female patrons who act as escorts, companions, or guests of and for the customers.

- o) There shall be no exterior window signs of any kind or type.
- p) Signs shall be posted in a prominent location stating that California State Law prohibits the sale of alcoholic beverages to persons under 21 years of age. "No loitering or Public Drinking" signs shall be posted outside the subject facility.
- q) The authorized use shall be conducted at all times with due regard for the character of the surrounding district, and the right is reserved to the City Planning Department to impose additional corrective conditions, if, it is determined by the City Planning Department that such conditions are proven necessary for the protection of persons in the neighborhood or occupants of adjacent property.
- r) If at any time during the period of the grant, should documented evidence be submitted showing continued violation(s) of any condition(s) of the grant, resulting in a disruption or interference with the peaceful enjoyment of the adjoining and neighboring properties, the City Planning Department will have the right to require the Petitioner(s) to file for a Plan Approval application together with the associated fees and to hold a public hearing to review the Petitioner(s) compliance with and the effectiveness of the conditions of the grant. The Petitioner(s) shall submit a summary and supporting documentation of how compliance with each condition of the grant has been attained.

D. Other Conditions.

- 20. **Noise (Residential).** All exterior windows shall be constructed with double-pane glass and use exterior wall construction which provides a Sound Transmission Class of 50 or greater as defined in UBC No. 35-1, 1979.edition or any amendment thereto. As an alternative, the developer may retain an acoustical engineer to submit evidence, along with the application for a building permit, any alternative means of sound insulation sufficient to mitigate interior noise levels below a CNEL of 45 dBA in any habitable room.
- 21. **Air Pollution (Stationary).** The applicant shall install an air filtration system capable of removing 99.97% of all airborne contaminants at 0.3 microns in order to reduce the diminished air quality effects on occupants of the project.
- 22. **Graffiti Removal.** The subject property shall be maintained clean and free of debris and rubbish and to promptly remove any graffiti from the walls, pursuant to Municipal Code Sections 91.8101-F, 91.8904-1 and 91.1707-E. Exterior walls of visible structures other than glass may be covered with clinging vines, screened by vegetation capable of covering or screening entire walls up to heights of at least 9-feet.
- 23. **Loading.** Loading and unloading activities shall not interfere with traffic on any public street. Public sidewalks, alleys and/or other public ways shall not be used for the parking or loading or unloading of vehicles. The location of loading areas shall be clearly identified on the site plan to the satisfaction of the Department of City Planning.
- 24. **Construction Parking.** Off-street parking shall be provided for all construction-related employees generated by the proposed project. No employees or subcontractors shall be allowed to park on the surrounding streets for the duration of all construction activities. There shall be no staging or parking of construction vehicles, including vehicles to transport workers on any residential street in the immediate area. All construction vehicles shall be stored on site unless returned to the base of operations.
- 25. **Truck Traffic Restricted Hours.** Truck traffic directed to the project site for the purpose of delivering materials or construction-machinery shall be limited to the hours beginning at 9:00 AM and ending at 3:00 PM, Monday through Friday. No truck deliveries shall occur outside of that

time period. If warranted, any truck haul routes and staging areas shall be subject to approval by the Department of Building and Safety and Department of Transportation. Haul trucks and delivery trucks may not que adjacent any residential or hotel use.

26. **Balconies.** No items shall be permitted to be placed or stored on any internal or external balcony or balcony railing. The applicant shall ensure that appropriate restrictions are incorporated into the Declaration of Covenants, Conditions and Restrictions governing the use of the property that each owner is aware of such restrictions, and that such restrictions are subject to appropriate enforcement measures. External facing balcony walls shall be constructed of opaque or solid materials so as to be enclosed from the view of street traffic and pedestrians.
27. **Aesthetics.** Every building, structure, or portions thereof shall be maintained in a safe and sanitary condition and good repair and free of graffiti, trash, overgrown vegetation, or similar material, pursuant to Municipal Code Section 91,8104. All open areas not used for buildings, driveways, parking areas, recreational facilities or walks shall be attractively landscaped and maintained in accordance with a landscape plan, including an automatic irrigation plan, prepared by a licensed landscape architect to the satisfaction of the decision maker.

E. Administrative Conditions

28. **Approval, Verification and Submittals.** Copies of any approvals, guarantees or verification of consultations, review or approval, plans, etc., as may be required by the subject conditions, shall be provided to the Department of City Planning for placement in the subject file.
29. **Code Compliance.** Area, height and use regulations of the zone classification of the subject property shall be complied with, except where herein conditions may vary.
30. **Covenant.** Prior to the issuance of any permits relative to this matter, an agreement concerning all the information contained in these conditions shall be recorded in the County Recorder's Office. The agreement shall run with the land and shall be binding on any subsequent property owners, heirs or assigns. The agreement shall be submitted to the Department of City Planning for approval before being recorded. After recordation, a copy bearing the Recorder's number and date shall be provided to the Department of City Planning for attachment to the file.
31. **Definition.** Any agencies, public officials or legislation referenced in these conditions shall mean those agencies, public offices, legislation or their successors, designees or amendment to any legislation.
32. **Enforcement.** Compliance with these conditions and the intent of these conditions shall be to the satisfaction of the Department of City Planning and any designated agency, or the agency's successor and in accordance with any stated laws or regulations, or any amendments thereto.
33. **Building Plans.** Page 1 of the grant and all the conditions of approval shall be printed on the building plans submitted to the Department of City Planning and the Department of Building and Safety.
34. **Project Plan Modifications.** Any correction and/or modifications to the Project plans made subsequent to this grant that are deemed necessary by the Department of Building and Safety, Housing Department, or other Agency for Code compliance, and which involve a change in site plan, floor area, parking, building height, yard or setbacks, building separations, or lot coverage, shall require a referral of the revised plans back to the Department of City Planning for additional review and final sign-off prior to the issuance of any building permit in connection with said plans. This process may require additional review and/or action by the appropriate decision making authority including the Director of Planning, City Planning Commission, Area Planning Commission, or Board.
35. The applicant/owner shall have a period of three years from the effective date of the subject grant to effectuate the terms of this entitlement by securing a building permit. Thereafter, the entitlements shall be deemed terminated and the property owner shall be required to secure a

new authorization for the use. If a building permit is obtained during this period, but subsequently expires, this determination shall expire with the building permit.

36. **Corrective Conditions.** The authorized use shall be conducted at all times with due regard for the character of the surrounding district, and the right is reserved to the City Planning Commission, or the Director of Planning, pursuant to Section 12.27.1 of the Municipal Code, to impose additional corrective conditions, if in the decision makers opinion, such actions are proven necessary for the protection of persons in the neighborhood or occupants of adjacent property.
37. **Indemnification.** The applicant shall defend, indemnify and hold harmless the City, its agents, officers, or employees from any claim, action, or proceeding against the City or its agents, officers, or employees to attack, set aside, void or annul this approval which action is brought within the applicable limitation period. The City shall promptly notify the applicant of any claim, action, or proceeding and the City shall cooperate fully in the defense. If the City fails to promptly notify the applicant of any claim, action, or proceeding, or if the City fails to cooperate fully in the defense, the applicant shall not thereafter be responsible to defend, indemnify, or hold harmless the City.

FINDINGS

1. **General Plan Land Use Designation.** The subject property is located within the Central City North Community Plan area, which was adopted by the City Council on December 13, 1988. The Plan Map designates the subject property for Regional Commercial land use with corresponding zones of CR, C1.5, C2, C4, RAS3, RAS4, R3, R4, R5. The proposed mixed-use development is permitted within the Regional Center designation and the C2 Zone and is consistent with the Central City North Community Plan.
2. **General Plan Text.** The proposed project is consistent with the Central City North Community Plan in that it meets the following goals and objectives of the Plan:

OBJECTIVE 1-2: To locate new housing in a manner, which reduces vehicular trips and makes it accessible to services and facilities in that the project site is located in an area where rail and bus transit is easily accessible and adjacent to downtown Los Angeles, a major employment center.

OBJECTIVE 1-4: To promote and insure the provision of adequate housing for all persons regardless of income, age, or ethnic background in that the project will provide 169 new housing units of varying sizes to include 20% affordable units that encourage a mixture of incomes and family types.

OBJECTIVE 2-1: To conserve and strengthen viable commercial development in the community and to provide additional opportunities for new commercial development and services in that this project will allow for ground floor retail uses in an area where there is currently a vacant building and surface parking lots.

OBJECTIVE 2-2: To attract uses which strengthen the economic base and expand market opportunities for existing and new businesses in that this project will bring additional residents into the Chinatown community and also brings the potential for businesses to locate on the ground floor.

OBJECTIVE 2-3: To enhance the identity of distinctive commercial districts and to identify pedestrian oriented districts in that this project with new residents and ground floor retail will promote pedestrian activity into an area that is within close proximity to a variety of commercial activities.

3. **The Transportation Element** of the General Plan will not be affected by the recommended action herein. However, any necessary dedication and/or improvements of Broadway, Spring Street, or College Street to General Plan designated roadway street standards will assure compliance with this element of the General Plan and with the City's street improvement standards pursuant to Municipal Code Section 17.05.
4. **The Sewerage Facilities Element** of the General Plan will be affected by the recommended action. However, requirements for construction of sewer facilities to serve the subject project and complete the City sewer system for the health and safety of City inhabitants will assure compliance with the goals of this General Plan Element.
5. **Street Lights.** Any City required installation or upgrading of street lights is necessary to complete the City street improvement system so as to increase night safety along the street which adjoin the subject property.
6. **Zone Variance Findings.**

- A. *That the strict application of the provisions of the Zoning Ordinance would result in practical difficulties or unnecessary hardships inconsistent with the general purpose and intent of the zoning regulations.*

Strict application of the provisions of the C2-2 and the (Q)C2-2 zones with regard to residential parking would result in practical difficulties and unnecessary hardships which are inconsistent with the general purpose and intent of the C2-2 and the (Q)C2-2 zones. The policy of the Deputy Advisory Agency for

condominium purposes is that for six or more residential condominiums there shall be two spaces provided per unit plus .25 spaces per unit for guest parking. As applied to this project, this translates into a total of 590 required residential parking spaces (524 parking spaces for residents and 66 parking spaces for guests). The LAMC parking ratios for multi-family dwellings is based upon the size of the units and would require less parking than the Deputy Advisory Agency policy. The parking requirements set forth in the LAMC for this project (as 100% rental units) is 287 parking spaces and different from the Deputy Advisory Agency's un-codified policy regarding for-sale condominium parking. Given the particularities of the project, the maximum number of parking spaces that this project can feasibly provide for residential use is 197 spaces.

The City has repeatedly expressed a need for the project to provide public parking and a link to the Gold Line Station. In order to provide additional public parking in accordance with the City's request, the applicant has had to reconfigure the residential parking at the project site. Because residents of the project are anticipated to utilize public transportation as their primary source of transportation, a reduction in residential parking is warranted as it will allow for the provision of sufficient public parking while also providing adequate residential parking. Unlike other development projects in the City, convenient mass transit is at the center of the project's design. The proposed project will have a lesser need for parking spaces and warrants a parking variance allowing for less than required residential parking spaces. This approach also implements the goals of the MTA for developments linked to major public transportation infrastructure.

The general purpose of the parking requirements of the LAMC is to ensure that projects provide sufficient on-site parking for the anticipated demand of land uses, thereby promoting the health, safety and general welfare of the community and preventing adverse impacts to surrounding properties arising from parking demand overflow. However, the general purpose of the City's parking requirements do not account for "smart growth" intermodal transportation projects and transit-oriented projects wherein parking spaces be provided for every unit. Strict application of the zoning ordinance poses a practical difficulty and unnecessary hardship that prevents the site from creating a smart growth project with the adjacent Gold Line Station. Only through a variance from required parking ratios can the City approve projects that discourage auto-dependence and encourage the use of conveniently-located public transit.

The project has been designed to incorporate and promote the use of public transportation. The mixed-use nature of the project fosters pedestrian traffic, strengthens the community and minimizes the need for private transportation. In addition, the project contains a significant amount of open space, public walkways, and access corridors that visually and physically unite the Gold Line Station to the site, North Broadway, College Street, and to Central Plaza. Strict imposition of the LAMC's parking requirements on the Project results in practical difficulty and unnecessary hardship because in order to provide the required parking, the project design would have to be altered in a way that reduces open space, reduces pedestrian accessibility and minimizes the emphasis on public transportation. To require this intermodal transportation project to meet code-required parking would negate the City and MTA's goal of encouraging development where dependence on vehicle transportation is disincentivized in favor of convenient public transportation.

In addition, the residential uses on the Project are designed to attract young professionals, single people or young couples without children, who desire to utilize public transportation and are interested in living a more urban atmosphere with convenient access to work, dining and shopping. Given the proximity to the Gold Line Station, provision of an overall residential parking plan in conjunction with public parking available for guests meets the purpose and intent of the parking requirements of the LAMC to set parking requirements based upon parking demand.

B. That there are special circumstances applicable to the subject property such as size, topography, location, or surroundings that do not apply to other properties in the same zone and vicinity.

There are special circumstances applicable to the project site such as topography, location, and surroundings that do not apply to other properties in the same zone and vicinity. The project site has a significant grade differential and irregular shape, which pose significant constraints for construction purposes. The grade differentials together with the presence of unstable soils and a high water table throughout the site would make the design and construction of subterranean parking prohibitively expensive. In addition, further subterranean parking is not only prohibitively expensive, but would also require remediation of volatile organic compounds that exist on the East Parcel at a depth that inhibits deeper subterranean parking. The applicant and the City have explored expansion of the proposed

parking structure but the grade differential prevents the provision of any additional above-grade parking without substantially increasing the height of the residential buildings and the Cultural Plaza. This additional height would not be consistent with surrounding neighborhood uses and would not provide a pedestrian link to the Gold Line Station. The project is already 18 feet above College Street; an additional level of parking would require the project to rise even higher above College Street. In addition, the City has expressed a desire for the proposed project to provide public parking on this site. These competing site constraints do not apply to other properties in the same zone and vicinity.

The vicinity to public transportation and the project's incorporation of public transportation sets the Project Site apart from other properties in the same zone and vicinity. Nowhere else in Chinatown or the downtown area is a site this large available for mixed-use development linked to a Gold Line Metro station. The project site is the only property in the vicinity, which will provide residential uses and will be directly connected to the Gold Line Station. The Project combines an urban-residential atmosphere where residents can live, work, shop and utilize the Gold Line as their main source of transportation. Rather than utilizing available land at the project site for parking purposes, the applicant will maximize open space and create a pedestrian-friendly environment. The project provides a unique opportunity for the City to create a mixed-use development, which will integrate multiple uses and have an orientation toward public transportation at its core.

- C. *That the variance is necessary for the preservation and enjoyment of a substantial property right or use generally possessed by other property in the same zone and vicinity, but which, because of the special circumstances and practical difficulties or unnecessary hardships, is denied to the property in question.*

The variance requested herein is necessary for the preservation and enjoyment of a substantial property right or use generally possessed by other properties in the same zone and vicinity, but which, because of the project site's special circumstances, practical difficulties and unnecessary hardships is denied to the project.

Other property in the vicinity have been developed for residential and commercial uses without the need to accommodate public needs and public amenities. The property is unique because only through cooperation with the City, the CRA, and the MTA and other governmental agencies could private development be considered on the property. At one point, the CRA was pursuing a project wherein it would condemn the subject property for use as a public parking structure. This approach would have denied the applicant the right to use this site for housing and commercial uses. The current project is the result of a compromise in lieu of condemnation. No other site in the area has dual zoning, a significant grade differential and irregular shape, which are significant constraints for construction purposes. These varied interests could have inhibited the applicant's their right to develop the property if not for the public/private partnership between applicant and the City, which created the project in order to serve various public goals and preserve applicant's property interests.

If the applicant is to satisfy the City's desire to provide public parking at the project site and to create a connection between the project and the Gold Line Station, then the applicant cannot provide the amount of residential parking required by the LAMC. In order to create a visual and physical connection between the project and the Gold Line Station, the project will provide a pedestrian walkway directly linking the two.

Further, the project has been designed to create an open and fluid environment that is easily accessible to pedestrians and fosters the use of public transit. The applicant cannot accomplish development of such an environment without the variance requested herein. In addition, because of the grade differential and irregular shape of the site, the applicant will face a number of construction constraints that will prevent it from providing the amount of residential parking spaces required by the LAMC.

No other property in the same zone and vicinity is subject to the constraints applicable to the project site. The applicant's are committed to developing the property in a manner that is most beneficial to the community, however, given the competing interests expressed by the City and given the construction constraints caused by the grade differential and irregular shape of the property,

- D. *That the granting of such variance will not be materially detrimental to the public welfare or injurious to the property or improvements in the same zone or vicinity in which the property is located.*

The granting of the variance requested herein will not be materially detrimental to the public welfare or injurious to the property or improvements in the same zone and vicinity in which the project site is located.

The project will be beneficial to the public welfare and to the property and improvements in the same zone and vicinity. Granting of the variance will make development of the project possible.

The variance requested herein would allow for the project to provide a reduced amount of residential parking. The MND, the MND Addendum, and the traffic analysis accompanying both documents indicate that neither parking nor traffic circulation will be significantly impacted by development of the project after mitigation. A Traffic Study was approved by the Los Angeles Department of Transportation (LADOT) and according to the Traffic Study and Shared Parking Analysis, the proposed amount of parking adequately meets the needs of the project. In order to meet the City's need to provide public parking at the project site, the applicant will provide one parking space per residential unit for a total of 169 residential parking spaces and no guest parking spaces. While the Advisory Agency Policy would require a total of 380 residential parking spaces at the Project Site, provision of 169 residential parking spaces adequately meets the needs of the project. Because it is anticipated that a significant percentage of project residents and their guests will utilize the Gold Line as their primary service of transportation, the decreased number of residential parking spaces that the project will provide is sufficient to meet the needs of its residents. By fostering the use of public transportation, the project provides a benefit to the community. The project's mix of commercial and residential uses, open space, and its integration of the Gold Line Station in the project design will attract professionals interested in living in an urban community with strong cultural influences and a convenient and reliable source of public transportation. The project will maximize the use of the project site by creating a pedestrian friendly environment that is welcoming to the community and its visitors.

- E. *That the granting of the variance will not adversely affect any element of the General Plan.*

The granting of the variance will not adversely affect any element of the Community Plan because the proposed project is compatible with the goals, objectives and policies of the same. Objective 1-2 of the Community Plan is to "locate new housing in a manner which reduces vehicular trips and makes it accessible to services and facilities," this objective is linked to Community Plan Policy 1-2.1 which is to "encourage multiple residential development in commercial zones." The proposed project will locate housing in a generally commercial zone and in a manner that reduces vehicular trips, provides direct access to service facilities and promotes the use of public transportation. The proposed Project will provide needed housing near existing commercial uses, while preserving the character of the community.

Because the Project Site is located immediately adjacent to the Gold Line Station and will provide a wide range of retail and restaurant uses for visitors and local residents, there will be a lesser need to utilize private transportation, thereby reducing vehicular trips.

In addition, the Community Plan contains a number of transportation goals and objectives with which the project is compatible. For example, Objective 2-3 of the Community Plan is to "enhance the identity of distinctive commercial districts and to identify pedestrian oriented districts" and Goal 12 of the Community Plan is to "encourage alternative modes of transportation to the use of single occupant vehicles in order to reduce vehicular trips." The proposed project will enhance the identity of the distinctive Chinatown commercial district, will create a pedestrian oriented environment and will encourage use of alternative modes of public transportation including the MTA Gold Line. The proposed Project promotes the goals and objectives of the Community Plan and does not adversely affect any element of the same.

Furthermore, development of the proposed project is consistent with the goals and objectives of the Citywide General Plan Framework. According to Section 3.14.9 of the Framework, it is the Framework's intent to encourage "new development in proximity to rail... It is intended that a considerable mix of uses be accommodated to provide population support and enhance activity near the stations. This may encompass a range of retail ... restaurants and housing that serve both transit users and local residents."

The project meets precisely this intent. The project site is located immediately adjacent to the Gold Line Station and will enhance activity nearby and will provide a range of residential, retail and restaurant uses to serve both transit users and local residents.

7. **Conditional Use Findings (Alcohol).** Applicant seeks a blanket Conditional Use permit for the sale of a full line of alcoholic beverages for on-site and off-site consumption. A blanket Conditional Use approval establishes the maximum number of alcohol-serving establishments and locations within the project, establishes the types of alcohol-serving establishments within the project, and establishes certain additionally-permitted activities within those establishments such as live entertainment, and dancing. Because none of the specific operators of the alcohol-serving establishments can be known until after the project is built, a blanket Conditional Use permit requires that each operator seek and obtain a separate plan approval from the Zoning Administrator before the operator is authorized to serve alcohol at an establishment within the project. The purpose of the plan approval is to ensure that each operator proposes a use that is consistent with the Conditional Use permit.

- A. *The location of the Facility is proper in relation to adjacent uses and the development of the community.*

The location of the proposed project is proper in relation to the adjacent uses and the development of the community because the project site is a dense urban environment characterized by Chinatown restaurants, shops, industrially-zoned sites and high-density residential uses. The uses surrounding the project site are: (a) to the north, a banking/commercial center, the historic Capitol Milling Company building, a mixed-use commercial/warehouse/loft development; (b) to the east, vacant industrial properties and the Chinatown Gold Line Station; (c) to the south, a bank and an indoor swap meet; and (d) to the west, other commercial development. The project will provide a mix of residential and commercial uses primarily designed to accommodate professionals and community members interested in living in an urban setting. The project will blend with the existing surrounding uses and the Conditional Use for the sale of alcohol sought herein will allow a full range of dining and retail options to local residents and visitors. The project will provide a mixed-use development that will contribute to and be consistent with the mix of uses in Chinatown where people can live, dine and shop within a pedestrian-friendly environment. The applicant is required to complying with all conditions required of it in order to manage alcohol sales and consumption for the greater benefit of the community.

- B. *The location of the Facility is desirable to the public convenience and welfare.*

The location of the proposed project is desirable to the public convenience and welfare because it is located on a primarily commercial corridor. Furthermore, serving of alcohol is a customary and incidental use for these types of establishments to be located on the project site. The project has been designed to encompass a variety of uses that will serve both residents and visitors. In order to succeed, the project must provide a full range of services. The requested Conditional Use would allow the restaurants and lounge to fully serve and satisfy the needs of its patrons by including a range of venues that serve alcohol in a responsible manner. Each operator will carefully screen the establishments serving alcohol to ensure that alcohol sale and consumption is handled properly. Consequently, location of the project site is desirable to the public convenience and welfare.

- C. *The Facility will not be detrimental to the character of development in the immediate neighborhood; and will be in harmony with the various elements and objectives of the General Plan.*

The project will not be detrimental to the character of development in the immediate neighborhood, the proposed development will be a positive contribution to the neighborhood. The project's architectural design will blend Asian-influenced architecture of Chinatown, but most importantly, the project will create a beneficial use on the largest vacant lot in Chinatown. The site is currently severely underutilized, the vacant structure and the surface parking lot uses that currently exist on the project site provide no benefit to the community. Development of the project will bring needed housing to the neighborhood, and will provide commercial uses to fit the needs of local residents and visitors. The project will be welcoming to pedestrians and will be easily accessible by public transportation users. In addition to having transit shelters along North Broadway, the project will also be physically connected to the Gold Line Station. The project design mixes residential and commercial uses fostering pedestrian traffic thereby adding to the vibrancy of the community. The Conditional Use requested will allow the applicant to fully serve residents and visitors of the project and will not be detrimental to the character and development in the immediate neighborhood.

Because the grant of a blanket Conditional Use Permit specifically requires that a subsequent plan approval be issued by the Zoning Administrator before any approved establishment may serve alcohol,

the City and the public will have the opportunity to ensure that each establishment operates in manner that is not detrimental to the character of the neighborhood.

The proposed project will be in harmony with the various elements and objectives of the Community Plan. The project will mix residential and commercial uses allowing residents to live and shop within their community without the need for private vehicles. The project will also be linked to mass transit in order to encourage its use. The project is in harmony with the elements of the Community Plan and directly meets a number of the Community Plan goals and objectives. Objective 1-2 of the Community Plan is to "locate new housing in a manner which reduces vehicular trips and makes it accessible to services and facilities." The project will locate new housing in a manner accessible to services and facilities.

D. The proposed use will not adversely affect the economic welfare of the pertinent community.

The proposed project will not adversely affect the economic welfare of the community. Successful development and operation of the proposed project will create 169 new residential units, approximately 15,513 square feet of leaseable retail space and approximately 24,746 of leaseable square feet of restaurant space, approximately 17,743 square feet of outdoor plaza open space and a 344-space subterranean and above ground structure parking garage. The project site is currently occupied by a vacant building and an unused surface parking lot. Development and operation of the project will bring a significant economic benefit to a property that is now being drastically underutilized. Beneficial use of the project site will also create numerous employment opportunities. Further, because service of alcohol is a customary and incidental use for the type of restaurants, which the project includes, the requested Conditional Use will allow business owners to adequately satisfy the needs of project residents, community members, and visitors to Chinatown. Compliance with the Conditions of Approval imposed on the Project and are intended to prevent adverse effects on the community.

E. The granting of the application will not result in an undue concentration of premises for the sale or dispensing for consideration of alcoholic beverages in the area of the City involved.

Granting of the requested Conditional Use Permit will not result in an undue concentration of premises for the sale or dispensing for consideration of alcoholic beverages in the area of the City involved. According to Census Tract 2060.10 there are currently seven on-site and one off-site licenses on such Census Tract. In addition the site is located in a relatively low crime area of the City, and the applicant will ensure that additional security be provided at the project site as needed. The allowed concentration of alcohol licenses are regulated by census tracts (i.e., how many people live within the census the tract). This method of determining alcohol license concentration fails to account for neighborhoods such as Chinatown that are City-wide destinations. City-wide destinations serve more people than live in the census tract. People come to Chinatown for the purpose of shopping and dining. Consequently, in commercial destination areas such as Chinatown, alcohol licenses in excess of the number allowed in a census tract is thoroughly appropriate. Moreover, current population figures for the Census Tract No. 2060.10 undercount Chinatown's reality. The census figures are six years out-of-date and cannot account for the significant increase in housing construction and concomitant population growth that is Chinatown's and downtown's recent history.

F. The proposed use will not detrimentally affect nearby residentially zoned property or other sensitive uses such as hospitals, schools, churches or public playgrounds.

The uses proposed on the project site, including the Conditional Use Permit requested herein, will not detrimentally affect nearby residentially-zoned property or other surrounding sensitive uses. While there are residential uses near the project site, development of the currently underutilized project site will be beneficial to such uses. Development of the project will provide additional needed housing as well as needed services such as retail and restaurant uses. All establishments serving alcohol at the project site will be staffed with qualified teams for the responsible service of alcohol.

There is one school near the project site, the Castelar Elementary School located at 840 Yale Street as well as one church, the Kong Chow Benevolent Association and Temple. The establishments selling alcohol at the project site must agree to all measures necessary to ensure that alcohol is served only to adults of 21 years or older and will mitigate any potential inconveniences or detrimental impacts. However, it is anticipated that no such inconveniences or detrimental impacts are anticipated because

9. **Shared Parking.** Pursuant to Section 12.24.X.20 of the Municipal Code, and based on these findings, the recommended action is deemed consistent with public necessity, convenience, general welfare and good zoning practice and that the action will be in substantial compliance with the General Plan. Indicate how a lower total number of parking spaces will provide adequate parking for the uses on the site.

The shared parking will allow a lower total number of parking spaces to be provided for the proposed project and still provide adequate parking for the uses on the site. It is anticipated that a significant number of local residents and visitors will utilize the Gold Line as their primary source of transportation thereby minimizing the amount of parking needed at the project site. The project's design creates a visual and physical connection to the Gold Line Station, thereby making use of the Gold Line convenient. The proximity to the Gold Line Station will increase the use of public transportation and minimize the need for parking at the site. The applicant has provided traffic and parking studies in order to understand the parking needs for the project. The shared parking analysis for the project was prepared according to the Urban Land Institute methodology, routinely accepted by the City for shared parking analyses. By providing the reduced amount of parking using a shared parking approach, the project will adequately meet the parking needs of residents and visitors.

The combined retail, restaurant, and residential parking for the proposed project would require 448 spaces based on Code requirements. A total of 372 spaces are proposed to be provided on-site. Of this total number of spaces to be provided on-site, a minimum of 197 parking spaces would be dedicated for the residential units (one space per unit) and the remainder (175 spaces) will be shared by the retail and restaurant uses and for general public parking. It is reasonable that in a mixed-use development, not all of the parking spaces will be utilized a full 100% at any given time. Sharing parking spaces in a mixed-use development in a pedestrian oriented neighborhood is appropriate since the parking requirements that are normally required for a stand alone development on a typical street is not the situation at this site. Based on the shared parking approach, the demand for parking spaces for the general public during the peak hour would be met after the peak shared demands of the project's retail and restaurant uses.

10. **Reduction of Commercial Off-street Parking.** Section 12.24(Y) of the LAMC allows for a 10 percent reduction in required off-street parking for commercial uses within 1,500 feet of a fixed rail transit portal. The project is within the Chinatown Redevelopment Area and is adjacent to and integrated with the Gold Line Station which abuts the project site. Therefore, the Project qualifies for the parking reductions contemplated in LAMC Sections 12.21.A4(x)(3)1 and 12.24(Y). As applied to the Project, the authorized reduction would consist of a reduction of 8 parking spaces (or 10 percent of 80) from the required off-street parking spaces for commercial uses.

- A. *The action shall be in conformity with the public necessity, convenience, general welfare and good zoning practice.*

The requested commercial parking reduction will be in conformity with the public necessity, convenience, general welfare and good zoning practice. The proposed project will provide needed housing, retail, and restaurant uses to the community while positively contributing to the cultural wealth of the neighborhood. The project includes both moderate income housing set-asides as well as workforce housing set-asides.

In addition, due to the project's proximity and physical connection with the Gold Line Station, a significant portion of residents and visitors will utilize the Gold Line as their primary source of transportation. Locating residential and commercial uses near public transit is of benefit to the entire City as it increases transit ridership while decreasing traffic congestion and related environmental impacts. Location of new development near public transit stations is also consistent with the City's intent to locate new development near public transportation in order to reduce required parking and encourage the use of public transportation. One of the goals of the General Plan Framework is for "Transit Stations to function as a primary focal point of the City's development." Development of the project meets this goal. The proposed project has been designed to create a physical connection to the Gold Line Station, making it a focal point of the project. The applicant has sought the input of the community to better understand its needs. The community expressed a need for housing and basic retail services as well as commercial uses that encourage people to stay in the community at night time, and a development that will foster improved pedestrian traffic and promote ridership for the Gold Line Station. The project will provide needed housing and the commercial uses, including the bicycle shop, will serve the Chinatown community members who will access such retail uses by foot, bicycle or via public transit. Consequently, the reduced commercial parking required herein adequately serves the needs of the project.

- B. *That the action will be in substantial conformance with the various elements and objectives of the General Plan.*

The granting of the parking reduction will be in substantial conformance with the various elements, goals and objectives of the Community Plan. Generally, the Community Plan encourages mixed-use development near public transit in order to reduce vehicular traffic and promote the use of public transportation. This is exemplified in Objective 1-2 of the Community Plan, which is to "locate new housing in a manner which reduces vehicular trips and makes it accessible to services and facilities," this objective is linked to Community Plan Policy 1-2.1 which is to "encourage multiple residential development in commercial zones." The proposed project will locate housing in a generally commercial zone and in a manner that reduces vehicular trips, provides direct access to service facilities and promotes the use of public transportation. The proposed project will provide needed housing near existing commercial uses, while preserving the character of the community. Because the project site is located immediately adjacent to the Gold Line Station and will provide a wide range of retail and restaurant uses for visitor and local residents, there will be less need to utilize private transportation, thereby reducing vehicular trips. The parking reduction will allow applicant to maximize use of the project site by providing a pedestrian-oriented environment. Due to the grade differential of the site, a greater amount of parking spaces cannot be provided without sacrificing open space, pedestrian accessibility and convenient connection to the Gold Line Station. Therefore, granting of the parking reduction is consistent with the various elements and objectives of the Community Plan.

- C. *Are there commercial or industrial buildings located on a lot not more than 1500 feet distant from the portal of a fixed rail transit station or bus station or other similar transit facility?*

The project is adjacent to the Gold Line Station and provides a direct physical link between the Gold Line Station and the project.

- D. *That the surrounding area will not be adversely affected by overflow parking or traffic congestion originating or terminating at the lot.*

The area surrounding the project site will not be adversely affected by an overflow parking or traffic congestion from the lot as a result of the commercial parking reduction requested herein. The commercial uses proposed will be primarily project-serving rather than regional destinations. It is anticipated that such commercial uses will create no detrimental impact on traffic or parking. These uses will be used primarily by community members who will access such uses by foot, bicycle or public transportation. Further, the site is located adjacent to the Gold Line Station and its design fosters the use of public transportation. The project is physically linked to the Gold Line Station by way of a pedestrian link from Broadway. The surrounding area will benefit from all the positive factors the project will contribute to the community. The project will provide residential, retail, and restaurant uses all within a pedestrian-friendly environment. The Gold Line Station will provide a convenient and fast method of transportation, and because the commercial uses are project-serving rather than regional destinations, it is anticipated that the project will not create parking or traffic overflow or congestion.

- E. *That the reduction will not otherwise be materially detrimental to the public welfare or injurious to the properties or improvements in the surrounding area.*

The granting of the commercial parking reduction requested herein will not be materially detrimental to the public welfare or injurious to the property or improvements in the same zone and vicinity in which the project site is located. The project will be beneficial to the public welfare and to the property and improvements in the same zone and vicinity. The project will provide additional housing into the community as well as provide for a large open space plaza to be used by the community.

The reduction will not be detrimental because the proposed project will provide a direct connection to public transportation, thereby increasing use of public transportation and decreasing the need for public parking. In addition, the commercial uses to be provided will be designed to serve the every-day needs of the community. If the parking reduction is granted, the applicant will be able to utilize space, which would have otherwise been used to provide parking, for the purpose of creating a pedestrian friendly environment that is welcoming to the community. In addition, the significant grade differential and the irregular shape of the project site make provision of additional parking spaces difficult. In order to meet

the City's need to provide public parking and access to public transportation at the project site while preserving pedestrian accessibility, the parking reduction is essential.

11. **Environmental Findings.** A Mitigated Negative Declaration, ENV 2004-4140-MND and Addendum, was prepared for the proposed project and has previously been adopted by the City Council. On the basis of the whole of the record before the lead agency including any comments received, the lead agency finds that there is no substantial evidence that the proposed project will have a significant effect on the environment.

Since July 2005, the Applicant and the City have been working together to revise the project to address both public funding shortfalls and site constraints. Value engineering methodologies and approaches were utilized and the project design was updated. One major area of revision was to avoid subterranean parking on the East Parcel. The effect of this was to reduce the amount of public parking. In addition, the cultural center was eliminated from the project due to cost constraints and community concern that the cultural center was too small. Instead, a larger outdoor Cultural Plaza was incorporated into the project that further emphasizes the transit-oriented elements of the project. Additionally, the residential density was reduced from 262 units to 169 units because the cost of subterranean parking on the West Parcel prevents—at this time—a parking structure that could accommodate the maximum permitted density of 210 residential units parked at 1 space per unit.

The total project envelope has been reduced as compared to the June 2005 project by 25%. The footprint for the building abutting College Street has also been reduced substantially and the Cultural Plaza expanded toward College Street. The proposed Project also does not raise any new impacts that were not raised and analyzed in the MND Addendum.

The proposed updates to the Project do not constitute a new project. No new land uses are proposed. The location of land uses on the Project site is unchanged from the previous project iteration considered in the MND Addendum. Most importantly, the density and intensity of uses in the current Project have been reduced overall compared to project analyzed in the MND Addendum.

The City and the CRA have reconsidered the MND Addendum as the proper CEQA-compliance document for the current Project. On or about January 18, 2007, the CRA, acting as a Responsible Agency pursuant to CEQA, adopted a CEQA resolution and findings ("CEQA Resolution & Findings"). The CRA's CEQA Resolution & Findings adopted the necessary findings and found that the Addendum to the Blossom Plaza MND complied with CEQA and set forth mitigation measures in a Mitigation Monitoring and Reporting Program. On January 31, 2007 the City Council, as the Lead Agency under CEQA, adopted the MND Addendum.

traffic. The Conditional Use requested herein will allow the applicant to fully serve residents and visitors of the project by creating a harmonious range of venues and opportunities and will not be detrimental to the character of development in the immediate neighborhood.

The project will be in harmony with the various elements and objectives of the Community Plan. The project will mix residential and commercial uses allowing residents to live, shop, and access entertainment venues within their community without the need for private vehicles. The project will also be linked to mass transit in order to encourage the use thereof. As previously mentioned, the project is in harmony with the elements of the Community Plan and directly meets a number of the Community Plan goals and objectives. Objective 1-2 of the Community Plan is to "locate new housing in a manner which reduces vehicular trips and makes it accessible to services and facilities." The Project will locate new housing in a manner accessible to services and facilities. The Conditional Use requested herein will further allow applicant to create a mix of uses to satisfy the needs of residents, current community members and visitors to Chinatown.

Further the applicant agrees that subsequent plan approvals will be sought prior to the establishment of any venue featuring dancing, and thus, the City Zoning Administrator will have the opportunity to ensure that each establishment operates in a manner that is not detrimental to the character of the neighborhood.

D. The proposed use will not adversely affect the economic welfare of the pertinent community.

The broad range of services, retail opportunities and entertainment options, such as dancing, will draw community members as well as visitors from surrounding areas within the City to the project and to Chinatown as a whole. The added visitors to the community will stimulate additional economic activity thereby benefiting the overall commercial businesses. As dancing is often a customary and incidental use to a bar/lounge and special events uses, the requested Conditional Use will ensure that the applicant creates a project which meets the expectations and wishes of the community in terms of entertainment, and thus will be sustainable and profitable. Further beneficial use of the proposed project will be the creation of numerous employment opportunities.

E. The Conditional Use will not result in or contribute to an undue concentration of such Dancing establishments in the area.

The requested Conditional Use will not result in or contribute to an undue concentration of establishments in the area that feature dancing. Additionally, as dancing is an incidental use to lounge and special events uses, as discussed above, the requested Conditional Use for alcohol will ensure that the applicant creates a project which meets the expectations, wishes, and needs of the community and will not contribute to an undue concentration of similar establishments in the area. Granting of the requested Conditional Use for alcohol sales, will not result in an undue concentration of premises for the sale or dispensing for consideration of alcoholic beverages in the area of the City involved. According to Alcoholic Beverage Control records, in Census Tract 2060.10 there are currently one off-site and seven on-site licenses in the Census Tract, not considered an undue concentration.

F. The proposed use will not determinately affect nearby residentially zoned property or other sensitive uses such as hospitals, schools, churches or public playgrounds.

The uses proposed on the project site, including the Conditional Use requested herein, will not detrimentally affect nearby residentially-zoned property. While there are residential uses near and on the project site, development of the currently underutilized site will be beneficial to such uses. Development of the project will provide additional housing as well as needed services such as retail and restaurant uses for the existing nearby residential areas. The project will seek to provide a mix of uses that will meet the needs of the surrounding community and encourage the development of pedestrian districts and minimize the need for the use of private transportation. To provide an attractive range of retail opportunities for the community and visitors, the applicant has requested a Conditional Use to allow dancing in two venues. Dancing is customary and incidental to other commercial uses and as such granting of this request will help to create a well-rounded mixed-use development. In addition, dancing in the plaza during special events is necessary during certain cultural and ethnic events that are on going in the Chinatown community.

peak times for the commercial uses on the project site will not coincide with the peak times of school or temple traffic. The alcohol sold at the project is intended for the residents of and visitors to the project.

8. **Conditional Use Findings (Entertainment).** Applicant seeks a Conditional Use Permit to allow dancing in two (2) venues within the project: in one of the lounges and at special events through the catering establishment as described below. A Conditional Use Permit is required in the C2 zone for Dance Halls, defined in LAMC Section 12.03 as any place where "public dances are held or conducted, other than when incidental to the operation of a hotel, apartment hotel, banquet room, catering hall, church, school or lodge." Public Dance is defined as, "a gathering of persons in or upon any premises where dancing is participated in and to which premises the public is admitted. This Conditional Use is requested in tandem with the blanket Conditional Use Permit request for the sale of alcohol. Similarly, this Conditional Use request will establish the maximum number, type and location of establishments within the project where dancing may take place. Because none of the specific operators of the establishments can be known until after the project is built, each operator will seek and obtain a plan approval from the Zoning Administrator before the operator is authorized to allow public dancing or dance hall uses at an establishment within the project. The purpose of the plan approval is to empower the Zoning Administrator to ensure that each operator proposes a use that is consistent with the blanket Conditional Use.

A. The location of the Facility is proper in relation to adjacent uses and the development of the community.

The project is proper in relation to the adjacent uses and the development of the community because the site is in a dense urban environment characterized by Chinatown restaurants, shops, industrially-zoned sites and high-density residential uses. The uses surrounding the Project Site are: (a) to the north, a banking/commercial center, the historic Capitol Milling Company building, a mixed-use commercial/warehouse/loft development; (b) to the east, vacant industrial properties and the Chinatown Gold Line Station; (c) to the south, a bank and an indoor swap meet; and (d) to the west, other commercial development. The Project will provide a mix of residential and commercial uses primarily designed to accommodate professionals and community members interested in living, working and playing in an urban setting. The project will blend with the existing surrounding uses and the Conditional Use sought herein will assist the applicant in providing a full range of retail, dining and entertainment options to local residents and visitors.

B. The location of the Facility is desirable to the public convenience and welfare.

The location of the project is desirable to the public convenience and welfare because it is located on a primarily commercial corridor. The proposed project has been designed to encompass a variety of uses that will serve both residents and visitors. In order to succeed, the project must provide a full range of services. The requested Conditional Use would allow the applicant to fully serve and satisfy the needs of its patrons by including a range of venues, including two venues which will allow dancing. Applicant will carefully screen the establishments which allow dancing to ensure that the use positively complements the venues by including an entertainment component befitting of the character of the project and the community. Part of the screening process will include careful consideration of the location of these venues in relation to likely adjacent and nearby establishments as well as the uses and character of the adjacent community. In this way, it will be ensured that the location of the project site is desirable to the public convenience and welfare.

C. The Facility will not be detrimental to the character of development in the immediate neighborhood and will be in harmony with the various elements and objectives of the General Plan.

The project will not be detrimental to the character of development in the immediate neighborhood. The project will be a positive contribution to the neighborhood by redeveloping an underutilized vacant building and surface parking lots into a new mixed-use development. The project's architectural design will blend with the eclectic Asian-influenced architecture of Chinatown, but most importantly, the project will create a beneficial use on the largest vacant lot in Chinatown. Development of the project will bring housing to the neighborhood, and will provide commercial uses to fit the needs of local residents and visitors. The project will be welcoming to pedestrians and will be easily accessible by public transportation users. In addition to having transit shelters along North Broadway, the project will also be physically connected to the Gold Line Station. The project design will mix residential and commercial uses fostering pedestrian

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ATTACHMENT B

REPORT TO CRA/LA BOARD OF COMMISSIONERS

ON

STATUS OF BLOSSOM PLAZA REQUEST FOR PROPOSAL PROCESS AND EXCLUSIVE
NEGOTIATION PROCESS WITH THE SELECTED RESPONDENT FOREST CITY

CHINATOWN REDEVELOPMENT PROJECT AREA

OCTOBER 6, 2011

STATUS UPDATE REGARDING BLOSSOM PLAZA RFP

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PURPOSE

Update the CRA/LA Board of Commissioners (Board) on the status of the Blossom Plaza Request For Proposal (RFP) process, exclusive negotiation process with the selected respondent, Forest City Enterprises (Forest City), and to inform the CRA/LA Board that given the current CRA/LA status the Exclusive Negotiation Agreement (ENA) has been modified to become a contract between the City (through LADOT) and Forest City. The ENA specifically delegates project management and negotiating tasks to CRA/LA so that CRA/LA Downtown Region expects to still have a primary role in the process. City Council expects to consider and approve the ENA by the end of October or beginning November 2011.

REPORT

Project Background and History

The Blossom Plaza site is the former Little Joe's Restaurant site located in the heart of Chinatown and part of the Italian community that first settled in this area prior to its evolution into Chinatown. The restaurant closed in 1998 and the site has been vacant since. The site has been used temporarily for community events and festivals, such as the Chinatown Summer Nights, Chinese New Year's Celebrations, etc. The site is vacant, blighted and strategically located next to the Metro Gold Line Station.

The original proposed project (by Chinatown Blossom Plaza, L.L.C. with managing partner Larry Bond) with CRA/LA funding for predevelopment costs, certain public improvements and affordable housing was approved by the CRA/LA Board of Commissioners and the City Council early in 2007. However, that developer was unable to close its financing agreements in August, 2008 and defaulted on its private financing of more than \$16 million. The lender, Prime Property Fund (Prime), an affiliate of Morgan Stanley, initiated foreclosure proceedings and in June 2009, ownership of the property transferred to Prime.

Several City participating agencies collaborated and successfully secured multiple sources of public funds to help purchase the Blossom Plaza site in August 2010. The funding sources used for the acquisition of the site included: City Parking Revenue Funds, Gold Line Amenity Funds, Federal Transportation Administration (FTA) grants and Chinatown Redevelopment Tax Increment and Low and Moderate Income Housing funds. The project and selected developer will be subject to the contractual requirements associated with these funding sources.

Current Status

Blossom Plaza is a City-owned, fully entitled 1.9-acre site adjacent to the iconic Chinatown Station on the Metro Gold Line (Site). On August 13, 2010, City Council authorized the CRA/LA to recommend a developer and negotiate an Exclusive Negotiating Agreement (ENA) for disposition and development. As part of the developer selection process for the Site, the CRA/LA issued a Request For Proposals (RFP) on behalf of the City on December 7, 2010. Six respondents submitted proposals on March 4, 2011, the RFP due date.

STATUS UPDATE REGARDING BLOSSOM PLAZA RFP

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The evaluation panel consisted of CRA/LA project staff and representatives from the Los Angeles Department of Transportation, Department of General Services and the Office of the Chief Legislative Analyst. After evaluating of the written proposals, five respondent teams were invited for interviews with the evaluation panel. The vision for Blossom Plaza is to create a vibrant, culturally significant place with residential, commercial and transit oriented, community serving facilities. Blossom Plaza aims to act as a catalyst for a reinvigorated Chinatown. The proposal submitted by Forest City Enterprises demonstrated an overall balanced approach to achieve these objectives. The following are key project elements:

- Turnkey public parking facility to be owned and operated by the City;
- Multi-modal transit hub;
- Physical and visual connections from streets to adjacent properties such as the Capitol Milling building;
- A minimum of 200 units of residential including not less than 53 affordable units or 20% of the total residential units constructed, whichever is higher;
- A public plaza designed to accommodate cultural activities and programming;
- At least 109 permanent living wage employment opportunities for Los Angeles area residents, 51 of which are to be local residents (living in the City of Los Angeles within 3 miles radius of the Project); and
- The Project is to be designed and developed using best practices in green building to achieve California Green Building Standards Level Silver.

The City of Los Angeles and LADOT have a significant financial investment in the Blossom Plaza Project as the property owner and provider of public parking for the Metro Station. The ENA was initially proposed for dual execution by the City and CRA/LA. However, given the current CRA/LA status the ENA has been modified to become a contract between the City (through LADOT) and Forest City. The ENA specifically delegates project management and negotiating tasks to CRA/LA so CRA/LA Downtown Region expects to still have a primary role in negotiating the development agreement.

CRA/LA prepared a draft ENA between the City and Forest City for consideration by the parties.. The ENA has an 180 day initial negotiation period with one 180 day extension. Upon full execution of the ENA, Forest City is required to submit to the City a good faith and consultant cost reimbursement deposit of \$100,000,00. During the ENA period, the parties will negotiate and reach agreement on the terms of a development agreement. Key development agreement terms include:

- Scope of Development setting forth design parameters for the Site;
- Schedule of Performance;
- A detailed marketing plan for developing and attracting target retail tenants;
- A sources and uses budget, including predevelopment, construction budget, a feasible method of financing, permanent financing sources and reasonably demonstrating to the CRA/LA and the City the availability of all funds needed to complete the Project;
- Detailed provisions for CRA/LA and/or City financial assistance and other public agency grants or funding, including the terms of repayment, i.e. participation in profit;

STATUS UPDATE REGARDING BLOSSOM PLAZA RFP

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- The disposition or ground lease terms for the site and conditions precedent to the conveyance of any interest in property;
- The terms upon which Forest City and/or City will subdivide, design, entitle, finance and construct the public parking facility to be owned and operated by the City; and
- The terms of all applicable City requirements and CRA/LA policies in the event any City / CRA/LA assistance is provided.

Forest City's proposal included some financial assistance from CRA/LA for the affordable housing component. Further discussions on assistance and amounts will take place during the negotiating period.

Christine Essel
Chief Executive Officer

By:



Dalila Sotelo
Deputy Chief Executive Officer

Attachments

- Exhibit A – Site Map
- Exhibit B – Development Design Concept Illustration, Forest City

STATUS UPDATE REGARDING BLOSSOM PLAZA RFP

Exhibit A – Site Map

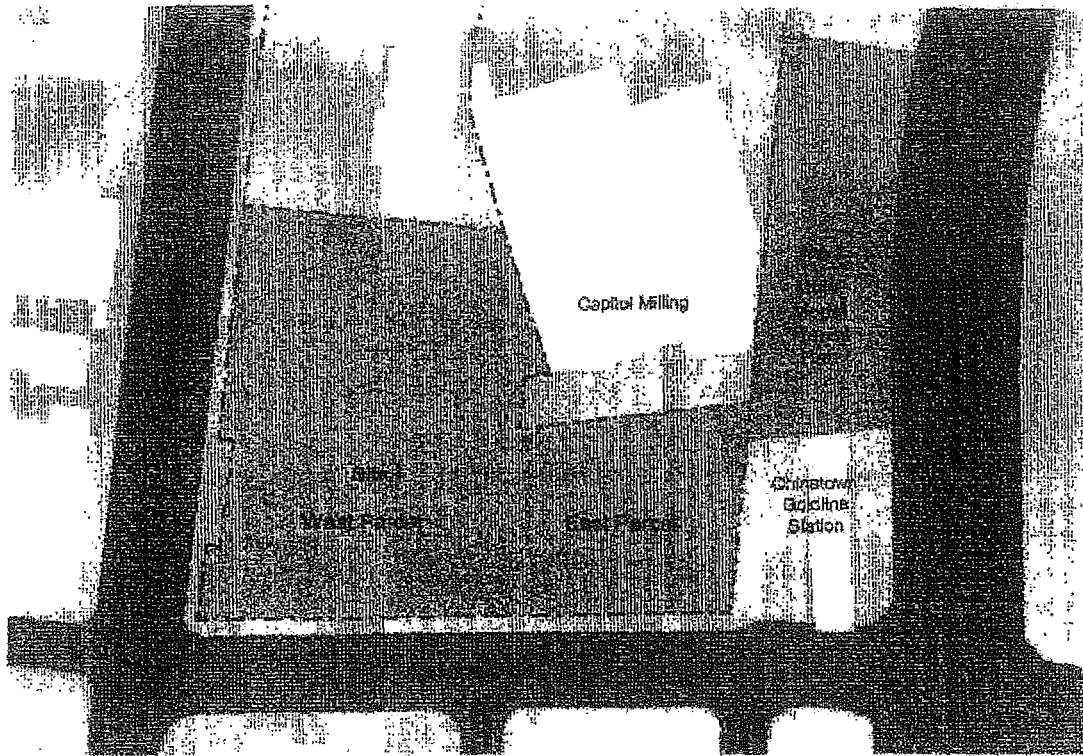
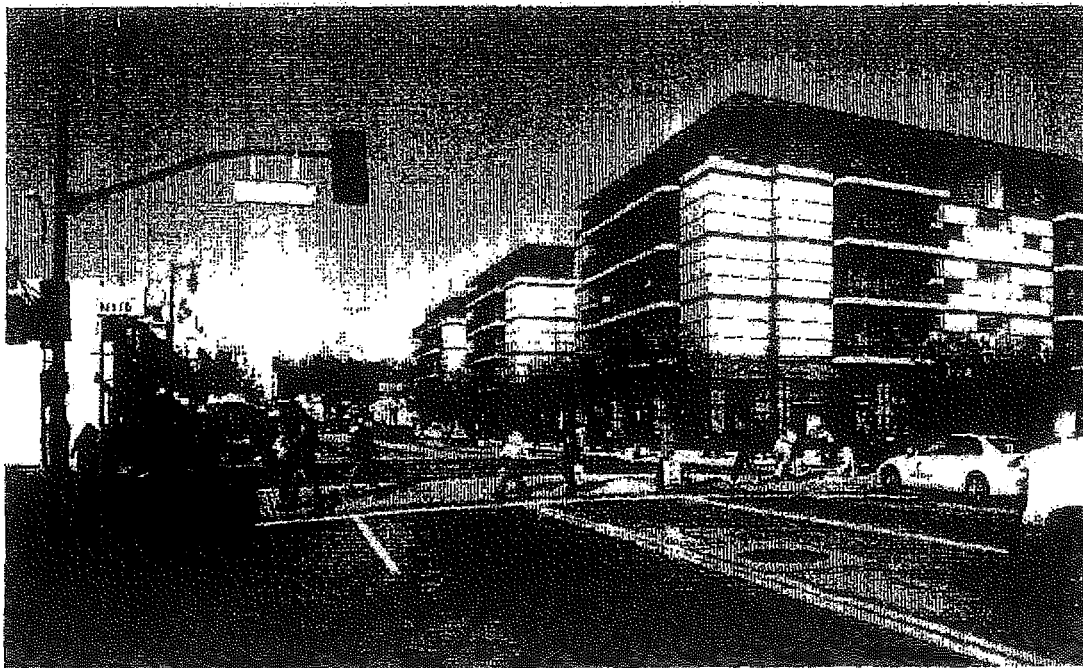


Exhibit B – Development Design Concept Illustration, Forest City



EXCLUSIVE NEGOTIATING AGREEMENT

BY AND BETWEEN

**THE CITY OF LOS ANGELES,
ACTING BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION**

AND

FOREST CITY RESIDENTIAL WEST, INC.

This Exclusive Negotiating Agreement (the "Agreement") is entered into as of this ___ day of _____, 2011 by and between the City of Los Angeles, a municipal corporation, acting by and through its Department of Transportation, (the "City" or "LADOT") and Forest City Residential West, Inc., a California corporation (the "Developer"), with reference to the following facts:

RECITALS

A. The City owns a fully entitled 1.9-acre site located at 900-924 North Broadway, 215-219 College Street and 901 Spring Street (the "Site") within the Chinatown Redevelopment Project Area. The Site is more particularly described ("Legal Description") and is shown on the map ("Site Map"), both attached as Exhibit A. Exhibit A is incorporated herein by this reference. The Site is adjacent to the iconic Chinatown Station on the Metro Gold Line route.

B. The Community Redevelopment Agency of the City of Los Angeles, California ("CRA/LA") is a public body, corporate and politic, responsible for implementation of the Redevelopment Plan for the Chinatown Redevelopment Project Area adopted by the City Council of the City of Los Angeles on January 23, 1980 and amended on September 26, 2001 (the "Redevelopment Plan"). The Redevelopment Plan affects and controls development and use of all real property located within an area within the City of Los Angeles, California, more particularly described and set forth in the Redevelopment Plan (the "Project Area").

C. The CRA/LA and City (referred to herein as the "Agencies") have preliminarily identified a need for the development on the Site of a vibrant, culturally significant place, with a minimum of 200 residential units, including at least 53 affordable units, up to 50,000 square feet of commercial/community space and a public parking facility for use by the general public (the "Project" or "Blossom Plaza"), as more particularly described and set forth in Section 1.5 of this Agreement.

D. Blossom Plaza has previously been reviewed pursuant to the California Environmental Quality Act ("CEQA"). The City of Los Angeles

Department of Public Works, Bureau of Engineering, acting as the Lead Agency pursuant to CEQA, adopted a Mitigated Negative Declaration for the proposed project in September of 2004 ("2004 MND") and prepared an Addendum to the MND in 2005 ("2005 Addendum"). The CRA/LA, acting as a Responsible Agency pursuant to CEQA, adopted Resolution No. 7005, on January 18, 2007 certifying that it had reviewed and considered the 2004 MND and 2005 Addendum prepared by the Bureau of Engineering for the Project, and that no further CEQA review was necessary for the project proposed at that time.

E. The following table summarizes the development program entitlements previously reviewed in accordance with CEQA and approved for the Blossom Plaza Site. Current Site entitlements expire on December 31, 2013.

	Maximum		Minimum	
Total Square Footage of Building Area:	360,071	Sq. Ft.	N/A	Sq. Ft.
Residential Component:	262	Units	N/A	Units
Commercial Uses:	43,231	Sq. Ft.	N/A	Sq. Ft.
Cultural Center:	7,000	Sq. Ft.	N/A	Sq. Ft.
Outdoor Plaza and Open Space:	17,642	Sq. Ft.	N/A	Sq. Ft.
Parking Structure:	660	Spaces	344	Spaces

F. Pursuant to the Redevelopment Plan, the Agencies designated the Site for development of the Project.

G. The development of the Project in the Project Area will further the Agencies' goals of alleviating blighting conditions, stimulating economic development and providing housing and business opportunities in the Project Area.

H. The Site is currently improved with an unoccupied restaurant.

I. On August 13, 2010, the Los Angeles City Council authorized the Agencies to recommend a developer and negotiate an Exclusive Negotiating Agreement ("ENA") for disposition of the Site and development of the Project

J. As part of the developer selection process for the Site, the CRA/LA issued a Request For Proposals ("RFP") on behalf of the Agencies on December 7, 2010, as attached in Exhibit B. Six responses were received and the Developer's proposal for the Project ("Proposal"), as attached in Exhibit F, was selected and approved by the Board of Transportation Commissioners (the

"BOTC") and City Council of the City of Los Angeles (the "City Council") on **October 13, 2011** and **[date]**, respectively, to enter into negotiations for a DDA for the Site.

K. The purpose of this Agreement is to establish procedures and standards for the negotiations by the City/LADOT and the Developer (hereinafter the "Parties") of a DDA for disposition of the Site for the development of the Project. As more fully set forth in Section 3.1, this Agreement by itself does not grant the Developer or any successor the right to develop the Project or the Site but the exclusive right to negotiate the DDA upon the terms set forth in this Agreement.

WITH REFERENCE TO THE FACTS RECITED ABOVE, the City/LADOT and the Developer agree as follows:

ARTICLE 1: EXCLUSIVE NEGOTIATIONS RIGHT

Section 1.1 Good Faith Negotiations. During the Negotiating Period described in Section 1.2, the City/LADOT, with the assistance of the CRA/LA, and the Developer shall diligently and in good faith, on an exclusive basis, negotiate the terms of a DDA for the development of the Project on the Site, and shall cooperate in conducting such Project feasibility activities as each Party deems appropriate. During the Negotiating Period, the Parties shall use good faith efforts to accomplish the respective tasks outlined in the Schedule of Performance attached as Exhibit C to this Agreement to facilitate the negotiation of a mutually satisfactory DDA.

Among the issues to be addressed in the negotiations are the Site disposition or ground lease terms, development programs to be constructed, total development costs of the Project, the nature and amount of financial investment in the Project by the Developer, CRA/LA and City/LADOT, remediation of any adverse Site conditions, the Developer's responsibility to obtain any necessary entitlements and any environmental clearances, the schedule of performance for the Project, financing of the Project, residential affordability levels, retail and commercial tenant selection and letters of interest, cultural facility and plaza marketing and operations (including kiosk rentals), signage program, bicycle station operations, parking operations, marketing and property management standards, design and aesthetic considerations of the Project, Site layout, preliminary design and architectural concepts and plans, the quality and type of construction, and the provision of public improvements, community benefits related to the Project and the cooperation and/or assistance to provided by Agencies to the Developer.

As part of the negotiations under this Agreement, Developer shall make available such additional staffing, consultants and other resources as may be reasonably required for the timely resolution of issues which may arise during negotiations and for the expeditious review of documents to be prepared by or on

behalf of the Agencies. It is anticipated that, except as the Agencies may otherwise determine, negotiations and other meetings between the Parties during the Negotiating Period of this Agreement will take place at CRA/LA's Downtown Regional Office or other locations in Los Angeles, and draft documents will be prepared by the Agencies or their attorneys and consultants and provided to Developers and their attorneys and consultants for review and comment. During the Negotiating Period of this Agreement, the Developer agrees to participate in community information meetings as needed and as requested by the Agencies. These meetings will update the community on the progress of the negotiations.

Each Party acknowledges and agrees that the other Party shall be deemed to be acting in good faith so long as it makes reasonable and timely efforts to attend scheduled meetings, directs its consultants to cooperate with the other Party, provides information necessary to the negotiations to the other Party, and uses commercially reasonable efforts to review and return with comments all correspondence, reports, documents, or agreements received from the other Party that require such comments.

Section 1.2 Negotiating Period. The negotiating period under this Agreement, (the "Negotiating Period") shall be one hundred eighty (180) days from the Effective Date of this Agreement, and as may be extended as set forth below. If a DDA has not been executed by the Parties by the expiration of the Negotiating Period, then this Agreement shall terminate and neither Party shall have any further rights or obligations under this Agreement, except as set forth in Sections 1.4, 3.2, and 3.6; provided, however, the Parties may mutually agree to extend the Negotiating Period for one (1) additional one hundred eighty (180) day period, subject to the approval of the LADOT General Manager or designee. The Negotiating Period may be extended only by written amendment to this Agreement, and no other act or failure to act by the Agencies or any of their representatives shall result in an extension of the Negotiating Period. If the Parties cannot agree upon such an extension, this Agreement shall automatically terminate upon the expiration of the Negotiating Period.

Notwithstanding the foregoing, if the Developer signs and submits to the Agencies a DDA approved as to form and content by the CRA/LA Regional Administrator and LADOT General Manager within the Negotiating Period, the Negotiating Period shall automatically be extended by a period of 120 days to permit the Agencies to take the steps necessary to consider and approve (or disapprove) the proposed DDA. In addition, the Negotiating Period shall automatically be extended for any additional period reasonably necessary (i) to prepare, circulate, review, revise, re-circulate or certify any documentation issued under CEQA or NEPA in connection with the approval of the DDA and/or the Project (including any new or revised documents necessary as a result of any settlement or judgment in a lawsuit challenging the environmental review for the DDA and/or the Project) and (ii) during the pendency of any action or lawsuit challenging any entitlements, actions or approvals (including but not limited to

environmental review) associated with the DDA and the Project unless both Parties agree not to pursue such defense.

If a DDA is executed by both Parties, then upon such execution this Agreement shall terminate, and all rights and obligations of the Parties shall be as set forth in the executed DDA.

This Agreement may also be terminated if the Parties agree in writing that a successful consummation of the negotiations is impossible or by the Developer in the event that Developer determines, in its sole discretion, that the Site is not feasible for the development of the Project in which case the remaining amount of the Deposit shall be returned by the City to Developer within ten (10) business days of such termination.

Section 1.3 Exclusive Negotiations. During the Negotiating Period, the City shall not, directly or indirectly, negotiate with any person or entity, other than the Developer, regarding the development of the Project, Site or any portion thereof, or solicit or entertain bids or proposals to do so. Notwithstanding the foregoing, Developer acknowledges, that the Agencies may, from time to time, be contacted by other persons or entities regarding the Project or Site and that such contact is permitted provided the Agencies do not initiate the contact and immediately upon such contact, Agencies shall indicate to such other persons or entities that the City have executed this Agreement with the Developer, that Developer has the exclusive right to negotiate and the Agencies shall then immediately terminate any further discussions.

Section 1.4 Good Faith and Consultant Costs Deposit. The Developer acknowledges that the Agencies shall expend substantial resources in the negotiation and performance of the tasks in this Agreement and the DDA. Concurrently with the full execution of this Agreement by the City and the Developer, the Developer shall submit to the City, as a good faith and consultant cost reimbursement deposit, the sum of one hundred thousand dollars (\$100,000.00) (the "Deposit") to ensure that the Developer will proceed diligently and in good faith to negotiate and perform all of Developer's obligations under this Agreement and to pay for the Agencies' costs and expenses in negotiating and preparing the DDA and complying with planning and environmental review in accordance with the budget attached hereto as Exhibit E ("Consultant Cost Budget"). Such costs shall be as set forth in the Consultant Cost Budget and include fees and services of environmental, traffic and economic consultants and attorneys, selected by the Agencies, relating to the Project and the preparation of the DDA ("Consultant Costs"). The Consultant Cost Budget may be administratively revised from time to time with the mutual consent of the Developer and the LADOT General Manager. The Developer shall provide the Deposit in the form of cash, or with, if the Parties mutually agree, an irrevocable letter of credit, a pledged certificate of deposit, an interest bearing account that is controlled by the City, or such other form of security acceptable to the Agencies in their sole discretion. The Agencies shall provide or contract and pay for the

Consultant Costs from the Deposit. Developer shall not be responsible for payment of Consultant Costs that the Agencies have directly contracted for provided Developer has made the Deposit.

In the event the Agencies expend funds on consultants in excess of the amounts set forth above, the Agencies shall bear the additional Consultant Costs, unless the Developer has approved in advance and in writing the additional costs in the Consultant Costs Budget and has deposited the additional funds with the City. Upon approval of additional Consultant Costs by Developer, Developer shall deposit such agreed amount with the City and the Agencies shall add such amount to the Deposit.

To the extent the Agencies incur less than \$100,000 in Consultant Costs (or such additional amount deposited by Developer) by the expiration of the Negotiating Period or the termination of this Agreement, and a DDA has not been entered into (or the approved DDA has not been executed and submitted to the Agencies by Developer), and Developer has negotiated in good faith and is not in breach of this Agreement, the City shall return the unexpended balance of the Deposit to the Developer along with an accounting of the Consultant Costs incurred by the Agencies by no later than ten (10) business days from last day of the Negotiating Period which obligation shall survive the termination or expiration of this Agreement.

If this Agreement is terminated by the City at any time due to a breach of the Developer's obligation to negotiate in good faith, then the entire balance of the Deposit shall be retained by the City, as provided in Section 3.7. If this Agreement is terminated by the Developer at any time due to a breach of the City's obligation under Section 1.3, the Agencies shall refund the unexpended balance of the Deposit to Developer, as more fully provided in Section 3.7

If performance of this Agreement results in execution of a DDA, the disposition of the balance of the Good Faith Deposit shall be treated as set forth in the DDA.

Section 1.5 DDA Terms and Conditions. The essential terms and conditions of the DDA to be negotiated and drafted pursuant to this Negotiation Agreement shall be guided by the following requirements and conditions:

- a. The negotiations shall be based on and guided by, and the DDA shall incorporate, the objectives, parameters, development requirements, terms and conditions and other requirements set forth in the RFP, the Proposal and such other terms and conditions as the Parties may agree.
- b. The DDA shall contain provisions of minimum Development Program Elements and Requirement (the "Minimum Development

Requirements”) as set forth in the RFP Section 2.2.2. The Minimum Development Requirements include:

- a. Turnkey public parking facility to be owned and operated by the City;
 - b. Multi-modal transit hub;
 - c. Physical and visual connections from streets to adjacent properties such as the Capitol Milling building;
 - d. A minimum of 200 units of residential including not less than 53 affordable units or 20% of the total residential units constructed, whichever is higher,;
 - e. A public plaza designed to accommodate cultural activities and programming;
 - f. At least 109 permanent living wage employment opportunities for Los Angeles area residents, 51 of which are to be local residents (living in the City of Los Angeles within 3 miles radius of the Project); and
 - g. The Project is to be designed and developed using best practices in green building to achieve California Green Building Standards level silver.
- c. The DDA shall be required to comply with all applicable CRA/LA and City development policy requirements, copies of which were attached to the RFP and are available for review at the offices of the CRA/LA, including, but not limited to the following:
- i. Payment of Prevailing Wages in accordance with City ordinances, CRA/LA policy and applicable State and/or federal law;
 - ii. Agencies’ Living Wage, Contractor Responsibility, Service Worker Retention and Equal Benefits ordinances and Policies;
 - iii. Agencies’ Equal Opportunity and Nondiscrimination;
 - iv. Agencies’ Public Art requirements;
 - v. Agencies’ Standard Insurance Requirements;
 - vi. CRA/LA Housing Policy;
 - vii. CRA/LA Construction Careers and Project Stabilization Policy;
 - viii. CRA/LA Healthy Neighborhoods Policy;

- ix. Any and all other applicable and customary CRA/LA policies and City ordinances and regulations.
- d. The DDA shall contain a Scope of Development setting forth design parameters for the Site and a requirement for the submission of plans to the Agencies for approval.
- e. The DDA shall contain a Schedule of Performance for the Project setting forth the respective times in which Agencies and the Developer are obligated to perform their respective obligations subject to force majeure events to be defined in the DDA.
- f. The DDA shall contain a detailed marketing plan for developing and attracting target retail tenants.
- g. The DDA shall include a sources and uses budget, including predevelopment and construction budget, a feasible method of financing, reasonably demonstrating to the CRA/LA and the City the availability of all funds needed to complete the Project. The DDA shall require the submittal of documentation of all proposed construction loans and developer equity to carry out the proposed method of financing. The Developer agrees to make continuing full disclosure to Agencies of its proposed methods of financing the Project.
- h. The DDA shall contain detailed provisions of CRA/LA and City financial assistance, if any, and other public agency grants or funding. To the extent the CRA/LA or the City provides financial assistance for the Project, the terms of repayment, if any, including, participation in profit, shall be negotiated during the Negotiating Period and shall be set forth in the DDA.
- i. The DDA shall set forth the disposition or ground lease terms for the lease of the Site to Developer and conditions precedent to the conveyance of any interest in property to be conveyed by CRA/LA or the City to the Developer, and to the disbursement of any funds by the CRA/LA or the City or funds to be advanced by the Developer and reimbursed by the CRA/LA or the City in accordance with the terms of the DDA, to ensure that the Project will be developed and used as required by the DDA.
- j. The DDA shall set forth the terms upon which the Developer and/or City will subdivide, design, entitle, finance and construct the public parking facility to be owned and operated by the City. The DDA shall also set forth the process and terms for any reciprocal easement and/or operating agreements between the Parties necessary for the construction, maintenance and operation of the Project components.

- k. The DDA shall prohibit, without written consent by the Agencies, any assignments or transfers by the Developer until completion of any construction required by the DDA, including any assignment of a security interest in the property for financing purposes; provided that Developer shall be permitted to assign his rights and obligations under the DDA to one of the following single purpose entities: (i) a limited partnership formed under the laws of the State of California or Delaware in which Developer or an entity owned or controlled by Developer is a general partner; or (ii) a limited liability company formed under the laws of the State of California or Delaware in which Developer or an entity owned or controlled by Developer is a managing member.
- l. The DDA shall set forth use restrictions relating to the Project, which use restrictions may be set forth in a covenant to be recorded against the Site.
- m. The DDA shall include a provision as required by California Redevelopment Law which may require reversion of property conveyed by the CRA/LA to Developer until completion of any construction required by the DDA.
- n. The DDA shall incorporate the applicable provisions of the Agencies' Standard Terms and Conditions which are attached to this Agreement as Exhibit D.

Section 1.6 Identification of Negotiating Representatives. The Developer's representative to negotiate the DDA with the City is Kevin Ratner, President. Agencies' representatives to negotiate the DDA with the Developer are representatives from the City/LADOT and the Office of the Chief Legislative Analyst to be determined, Jenny Scanlin, CRA/LA Regional Administrator, Jay Virata, CRA/LA Regional Administrator and Christine Kalamaros, CRA/LA Senior Real Estate Development Agent. Any Party may designate a substitute representative and consultants by giving written notice to the other Party of the name of such substitute representative or consultant.

ARTICLE 2: NEGOTIATION TASKS

Section 2.1 Overview. To facilitate negotiation of the DDA, the Parties shall use commercially reasonable, good faith efforts to accomplish the tasks set forth in the Schedule of Performance in the timeframe set forth therein so as to support negotiation and execution of a mutually acceptable DDA prior to the expiration of the Negotiating Period. The dates set forth in the Schedule of Performance for the performance of various tasks by the Developer may be extended by the City in its sole discretion and shall be extended for a Regulatory Force Majeure Event.

Section 2.2 Reports. The Developer shall provide the Agencies with copies of all final reports, studies, analyses, correspondence, schematic design drawings, and similar documents, prepared or commissioned by the Developer with respect to this Agreement and the Project, promptly upon their completion. The City shall provide the Developer with copies of all reports, studies, analyses, correspondence, and similar documents prepared or commissioned by the Agencies with respect to this Agreement and the Project, promptly upon their completion and in accordance with the Schedule of Performance attached as Exhibit C hereto. Nothing in this Section 2.2 obligates the Agencies to undertake any studies or analyses other than the studies or analyses paid for out of the Deposit as set forth in Section 1.4. Any document provided to any Party pursuant to this section shall be without warranty.

While desiring to preserve its rights with respect to treatment of certain information on a confidential or proprietary basis, the Developer acknowledges that the Agencies will need sufficient, detailed information about the proposed Project to make informed decisions about the content and approval of the DDA.

All documents and reports submitted to the Agencies pursuant to this Agreement shall become the property of the Agencies, and will be subject to the California Public Records Act (Government Code Section 6250 et seq.) as provided below subject to any exemptions from disclosure under the California Public Records Act. All documents submitted to the Agencies are "public records" and may be subject to public disclosure. If an exemption to the California Public Records Act applies, Developer may seek to shield certain portions of its documents and reports from disclosure by justifiably marking such documents as "Confidential", "Trade Secrets" or "Proprietary".

Agencies shall notify the Developer of any requests for documents marked "Confidential", "Trade Secrets" or "Proprietary" by the Developer. In the event the Agencies are required to defend an action under the California Public Records Act with regard to a request for disclosure of any of the documents or reports marked "Confidential", "Trade Secrets" or "Proprietary" by Developer, Developer agrees to defend and indemnify the CRA/LA and City from all costs and expenses of such defense, including reasonable attorneys fees of the CRA/LA and City or attorneys fees awarded by a court arising out of such action.

Section 2.3 Test and Surveys. During the Negotiating Period, subject to the consent or approval of any owners of property not owned by the City, the Developer may conduct such test, surveys, and other analyses of the Site as the Developer deems necessary to determine the feasibility of the Project, and shall complete such tests, surveys and other analyses in accordance with the Schedule of Performance attached as Exhibit C within the Negotiating Period. For properties owned by the City, the City shall provide to Developer, its agents, and its representatives the right to enter onto the Site and to conduct such tests, surveys, and other procedures (the "Tests") after entering into a right of entry agreement between the City and Developer through the City's Department of Transportation. The Developer shall indemnify and hold harmless the City from any third party loss, cost, or damage (including, without limitation, reasonable attorney's fees) arising out of any such entry on the Site (whether owned by the City or any third party) by Developer, its agents, or its representatives excluding any such losses arising from the gross negligence or willful misconduct of the or City. Developer shall present the Agencies with evidence of a general liability insurance policy in an amount of at least \$2 million dollars, naming the City as additional insureds. The insurance policy shall cover all liability and property damage arising from the presence of Developer, its agents or its representatives on the Site during the conduct of the Tests. The Developer shall provide the Agencies copies of all test results and survey reports after completion of such tests, surveys, and other analyses of the Project Site.

Section 2.4 Environmental Review. Within the time set forth in the Schedule of Performance, the Developer shall prepare and submit to the Agencies such plans, specifications, drawings, and other information, as specified by the Agencies, that are reasonably necessary to perform the environmental review process, if any, required by the California Environmental Quality Act ("CEQA") and the National Environmental Policy Act ("NEPA") for the Project, and to prepare all environmental documentation required by CEQA and NEPA.

During the Negotiating Period and subject to the Developer providing the necessary information to the Agencies, the City shall undertake the necessary steps, if any, to conduct the required level of environmental review process determined by the Agencies pursuant to CEQA requirements. The Agencies shall coordinate with other departments of the City to conduct the required environmental review. The City may contract with consultants for such work and may draw upon the Deposit to pay for the Consultant Costs in accordance with Section 1.4, above.

Section 2.5 Planning Approvals. The Developer acknowledges that the Project requires approvals and entitlements from the City. During the Negotiating Period, the Developer shall submit conceptual site plans and preliminary designs for the Project to the CRA/LA and the appropriate City departments for their informal review, within the time set forth in the Schedule of Performance. The

Agencies may contract with consultants for such work and may draw upon the Deposit to pay for the Consultant Costs in accordance with Section 1.4, above.

Section 2.6 Financial Pro Forma Analysis. Within the time set forth in the Schedule of Performance, the Developer shall provide the Agencies with a detailed financial pro forma analysis for the Project containing matters typically contained in such pro forma, including without limitation, a detailed development cost budget and a detailed operating income and expense estimate. The financial pro forma will be used to evidence the financial feasibility of the Project and to assist in the negotiation of terms regarding the financing of the Project. The pro forma shall describe the proposed amount and uses of any financial assistance requested to be provided by the CRA/LA or City.

Section 2.7 Financing Commitments. The Developer shall exercise good faith efforts to provide the Agencies, prior to entering into a DDA, with executed written commitments (containing usual and customary conditions) for construction and permanent financing for the Project.

Section 2.8 Community, CRA/LA Board Meetings, and City Council Meetings. Developer may be required to participate in public community meetings with CRA/LA and City staff and/or the Community Advisory Committee or CRA/LA Board, or City Council and agrees to participate in such meetings as deemed necessary by CRA/LA or City staff. The Agencies shall reasonably cooperate with Developer in connection with such meetings.

Section 2.9 Schedule of Performance. The Developer and the City agree, with the assistance of the CRA/LA, to negotiate a detailed Schedule of Performance to be incorporated into the DDA for the Project which shall include but not be limited to: the date for the submittal of construction plans to the Agencies, the date for the commencement of construction of the Project, and the date for completion of construction and the opening of the Project. The Schedule of Performance shall be subject to Regulatory Force Majeure Extension.

Section 2.10 Progress Reports. Upon reasonable notice, as from time to time requested by the Agencies, the Developer shall make progress reports including financing and leasing activities, advising the Agencies on studies being made, negotiations with potential tenants and matters being evaluated by the Developer with respect to this Agreement and the Project. Such progress reports shall be in writing, if so requested by the Agencies. The Agencies shall not request written reports more frequently than once each month.

ARTICLE 3: GENERAL PROVISIONS

Section 3.1 Limitation on Effect of Agreement. This Agreement shall not obligate either Party to enter into a DDA or to enter into any particular redevelopment or property disposition agreement. The City and Developer do not intend this Agreement to be a purchase agreement, ground lease, license,

option or similar contract or to be bound in any way by this Agreement except for the binding obligations of the parties set forth in Section 1.3 and indemnification obligations of the Parties set forth herein. By execution of this Agreement, the Parties are not committing themselves to or agreeing to undertake acquisition, disposition, or exercise of control over any property nor is the Developer committing itself to undertake the acquisition of any property. Execution of this Agreement by the City and the Developer is merely an agreement to conduct a period of exclusive negotiations and preparing recommendations to the Board of Transportation Commissioners (BOTC) and/or City Council in accordance with the terms hereof, reserving for subsequent BOTC and/or City action the final discretion and approval regarding the execution of a DDA and all proceedings and decisions in connection therewith. Any DDA resulting from negotiations pursuant to this Agreement shall become effective only if and after such DDA has been considered and approved by BOTC and the City Council after conducting all legally required procedures. Each Party assumes the risk that, notwithstanding this Agreement and good faith negotiations, the Parties may not enter into a DDA due to the Parties' failure to agree upon essential terms of a transaction. Except as expressly provided in this Agreement, Developer agrees that the Agencies shall have no obligations or duties hereunder and no liability whatsoever in the event the Parties fail to execute a DDA and Agencies agree that Developer shall have no obligations or duties hereunder and no liability whatsoever in the event the Parties fail to execute a DDA.

Section 3.2

Except for the gross negligence or willful misconduct of CRA/LA or City, Developer undertakes and agrees to defend, indemnify, and hold harmless CRA/LA and the City from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, reasonable attorney's fees and costs of litigation, damage or liability of any nature whatsoever, arising in any manner by reason of or incident to the performance of this Agreement on the part of the Developer or any contractor or subcontractor of Developer, whether or not contributed to by an act or omission of CRA/LA or City. Developer shall further indemnify, defend, and hold CRA/LA and City, their directors, officers, employees, agents, and successors and assigns harmless against all suits and causes of action, claims, costs, and liability, including, but not limited to, reasonable attorney's fees and costs of any litigation, or arbitration or mediation, if any, brought by a third party (1) challenging the validity, legality or enforceability of this Agreement or (2) seeking damages which may arise directly or indirectly from the negotiation, formation, execution, enforcement or termination of this Agreement, or which are incident to the performance of the activities contemplated in this Agreement. Developer shall pay immediately upon CRA/LA's and City's demand any amounts owing under this indemnity. The duty of Developer to indemnify includes the duty to defend CRA/LA and the City or, at CRA/LA's and the City's choosing, to pay CRA/LA's and City's costs of its defense in any court action, administrative action, or other proceeding brought by any third party arising from the development of the Site. CRA/LA and City shall

have the right to approve any attorneys retained by the Developer to defend CRA/LA and City pursuant to this Section 3.2 and shall have the right to approve any settlement or compromise. The Developer's duty to indemnify CRA/LA and City shall survive the termination of this Agreement.

- a. City to Indemnify Developer. Except for the gross negligence or willful misconduct of the Developer, the City undertakes and agrees to defend, indemnify, and hold harmless Developer from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, reasonable attorney's fees and costs of litigation arising from the negligent acts, errors or omissions of either CRA/LA and/or City with respect to the obligations of the Agencies under this Agreement. The City shall pay following final award and upon Developer's demand any amounts due pursuant to this indemnity. The duty of City to indemnify includes the duty to defend Developer or, at Developer's choosing, to pay the Developer's costs of its defense in any court action, administrative action, or other proceeding brought by any third party. Developer shall have the right to approve any attorneys retained by the City to defend Developer pursuant to this Section 3.2 b. and shall have the right to reasonably approve any settlement or compromise. The City's duty to indemnify Developer shall survive the termination of this Agreement.

Section 3.3. Notices. Formal notices, demands and communications between the Parties shall be sufficiently given if, and shall not be deemed given unless, dispatched by certified mail, postage prepaid, return receipt requested, or sent by express delivery or overnight courier service, to the office of the Parties shown as follows, or such other addresses as the Parties may designate in writing from time to time:

LADOT/City: Los Angeles Department of Transportation
100 S. Main St., 10th Floor
Los Angeles, CA 90012
Attn: Jaime de la Vega, General Manager

With a copy to: CRA/LA
1200 West 7th Street / Suite 500
Los Angeles, CA 90017
Attn: Christine Essel, Chief Executive Officer

With a copy to: CARMEN A. TRUTANICH

City Attorney
c/o Michael Nagle
200 N. Main St., Room 800 CHE
Los Angeles, CA 90012-4131, MS140

Developer: Forest City Residential West, Inc.
949 South Hope Street, Suite 100
Los Angeles, California 90015
Attention: Kevin Ratner

With copy to: Forest City Enterprise, Inc.
50 Public Square
Cleveland, Ohio 44113
Attention: General Counsel

Such written notices, demands and communications shall be effective on the date shown on the delivery receipt as the date delivered or the date on which delivery was refused.

Section 3.4 Costs and Expenses. Each Party shall be responsible for its own costs and expenses in connection with any activities and negotiations undertaken in connection with this Agreement, and the performance of its obligations under this Agreement, except as specifically provided in this Agreement.

Section 3.5 No Commissions. The Agencies shall not be liable for any real estate commissions or brokerage fees that may arise from this Agreement or any DDA that may result from this Agreement. The City represents that it has engaged no broker, agent, or finder in connection with this transaction. The Developer shall defend and hold the City harmless from any claims by any broker, agent, or finder retained by the Developer.

Section 3.6 Use of Project Images. Developer hereby consents to and approves the use by CRA/LA and City of images of the Project, its models, plans and other graphical representations of the Project and its various elements ("Project Images") in connection with marketing, public relations, and special events, websites, presentations, and other uses required by the CRA/LA and/or City in connection with the Project through the Negotiating Period. Such right to use the Project Images shall not be assignable by the CRA/LA and/or City to any other party (including, without limitation, any private party) without the prior written consent of Developer. Developer shall obtain any rights and/or consents from any third parties necessary to provide these Project Image use rights to CRA/LA and City. In the event that the Parties enter into a DDA, the CRA/LA's and/or City's right to use the Project Images shall be as set forth in the DDA.

Section 3.7 Default and Remedies.

(a) Default. Failure by either Party to negotiate in good faith or failure by Developer to accomplish the tasks listed in the Schedule of Performance within the time set forth therein, or of a Party to perform its obligations as provided in this Agreement shall constitute an event of default hereunder. The non-defaulting Party shall give written notice of a default to the defaulting Party, specifying the nature of the default and the required action to cure the default. If a default remains uncured thirty (30) days after receipt by the defaulting Party of such notice, the non-defaulting Party may exercise the remedies set forth in subsection (b); provided, however, that if the default is not reasonably susceptible to cure within this thirty (30) day period, then, provided that the Party in default shall commence to cure such default upon receipt of such written notice and shall continue to diligently pursue such cure to completion, the cure period shall be extended by the amount of time reasonably necessary to cure such default.

(b) Remedies.

1. In the event of an uncured default by the City (other than a breach of Section 1.3), the Developer's sole remedy shall be to terminate this Agreement, upon which the Developer shall be entitled to the return of the remaining balance of the Deposit and any interest earned thereon. In the event of a default by the City of its obligations under Section 1.3, Developer shall have the right to seek injunctive and declaratory relief to enjoin such breach and if this Agreement is terminated, the City shall refund the remaining balance of the Deposit to Developer. Following such termination and the return of the applicable amount of the Deposit and any interest earned thereon, neither Party shall have any further right, remedy nor obligation under this Agreement, except a Party's indemnification obligations set forth herein shall survive such termination.

2. In the event of an uncured default by the Developer, the City's sole remedy shall be to terminate this Agreement and to retain the Deposit, and any interest earned thereon. Following such termination, neither Party shall have any right, remedy nor obligation under this Agreement, except a Party's indemnification obligations set forth herein shall survive such termination.

Except as expressly provided in this Agreement, neither Party shall have any liability to the other for damages or otherwise for any default, nor shall either Party have any other claims with respect to performance under this Agreement. Each Party specifically waives and releases any such rights or claims it may otherwise have at law or in equity and expressly waives any rights to consequential damages or specific performance from the other Party under this Agreement.

Section 3.8 Waiver of Default. Except as otherwise expressly provided in this Agreement, any failure or delay by either Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of said default or of any rights or remedies in connection therewith or of any subsequent default or any rights or remedies in connection therewith, or deprive such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

Section 3.9 Assignment. This Agreement may not be assigned nor may there be any material change in the management or ownership of the Developer without the prior written approval of the Agencies, which may withhold approval in their sole and absolute discretion except that Developer shall have the right, without Agencies' approval, to assign this Agreement and its rights hereunder to an affiliate of Developer that is controlled by Developer by being a general partner or managing member of the affiliate entity.

Section 3.10 Conflict of Interests. No member, official or employee of the Agencies shall have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he, or she is directly or indirectly, interested.

Section 3.11 Warranty Against Payment of Consideration for Agreement. The Developer warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. The parties understand and agree that Developer has retained legal counsel and consultants in connection with this Agreement, and that such is not a violation of this Section 3.11.

Section 3.12 Nonliability of Officials, Officers, Members, and Employees. No member, official, officer, or employee of the CRA/LA or the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the CRA/LA or City or for any amount which may become due to the Developer or to his successor, or on any obligations under the terms of this Agreement.

Section 3.13 Developer's Obligation to Refrain from Discrimination. The Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, religion, creed, national origin, ancestry, sex, sexual orientation, age, disability, medical condition, or marital status, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site nor shall Developer, itself or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the

selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases, or venders of the Site.

Section 3.14 Developer's Obligation Toward Equal Opportunity. Developer will not discriminate against any employees or applicant for employment because of race, color, religion, creed, national origin, ancestry, disability, actual and perceived, medical condition, age, marital status, sex, sexual orientation, Acquired Immune Deficiency Syndrome (AIDS), actual or perceived, or retaliation for having filed a discrimination complaint or any additional basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code, as such provisions may be amended from time to time (collectively, the "Nondiscrimination Factors"). The Developer shall take affirmative steps to ensure that applicants are employed by the Developer, and that its employees are treated without regard to the Nondiscrimination Factors during employment including, but not limited to, activities of: upgrading, demotion or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer agrees to post in conspicuous places, available to its employees and applicants for employment, the applicable nondiscrimination clause set forth herein.

Section 3.15 No Attorneys' Fees. The prevailing Party in any action to enforce this Agreement shall not be entitled to recover reasonable attorneys' fees and costs from the other Party (including fees and costs in any subsequent action or proceeding to enforce or interpret any judgment entered pursuant to an action on this Agreement). Each party shall bear its own costs and fees.

Section 3.16 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 3.17 Neutral Interpretation. This Agreement is the product of the negotiations between the Parties, and in the interpretation and/or enforcement hereof is not to be interpreted more strongly in favor of one party or the other.

Section 3.18 Entire Agreement. This Agreement constitutes the entire agreement of the Parties regarding the Project.

Section 3.19 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

Section 3.20 Parties. For purposes of this Agreement, the term "Parties" shall defined as City and Developer (and Developer's permitted successors or assigns) and the term "Party" shall be defined as each of City or Developer (and Developer's permitted successors or assigns).

Section 3.21. Effective Date. This Agreement shall be effective on the date that the last Party executes and delivers this Agreement to the other Party ("Effective Date").

AS OF THE EFFECTIVE DATE FIRST WRITTEN ABOVE, the Parties evidence their agreement to the terms of this Agreement by signing on the following page:

DRAFT

Executed at Los Angeles, California.

CITY OF LOS ANGELES
DEPARTMENT OF TRANSPORTATION

By: _____
Jaime de la Vega, General Manager

APPROVED AS TO FORM:

CARMEN A. TRUTANICH
City Attorney

By: _____
Deputy/Assistant City Attorney

DEVELOPER:

FOREST CITY RESIDENTIAL WEST,
INC., a California corporation

By: _____

Its: _____

Exhibit A

Site Map

Attached on the following page



Exhibit B

Request For Proposal (RFP), December 7, 2010

Attached on the following page

DRAFT

Exhibit C

Schedule of Performance

Attached on the following page



Exhibit D

Standard Terms and Conditions

Attached on the following page



Exhibit E

Consultant Cost Budget

Attached on the following page



EXHIBIT F

PROPOSAL

Attached on the following page

