

# CITY OF LOS ANGELES

CALIFORNIA

**HOLLY L. WOLCOTT**  
Interim City Clerk



**ERIC GARCETTI**  
MAYOR

Office of the  
CITY CLERK

Council and Public Services  
Room 395, City Hall  
Los Angeles, CA 90012  
General Information - (213) 978-1133  
Fax: (213) 978-1040

**SHANNON HOPPES**  
Council and Public Services  
Division

[www.cityclerk.lacity.org](http://www.cityclerk.lacity.org)

When making inquiries relative to  
this matter, please refer to the  
Council File No.

March 5, 2014

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 11-1980-S5, at its meeting held March 4, 2014.



City Clerk  
wrq

ENVIRONMENTAL IMPACT REPORT and BUDGET AND FINANCE COMMITTEE REPORT  
relative to approval of The Village at Westfield Topanga Subvention Agreement.

Recommendations for Council action :

1. FIND under the California Public Resources Code Section 21166 and the California Environmental Quality Act Guidelines Section 15162, on the basis of substantial evidence contained in the whole record, that since certification of the Environmental Impact Report (EIR) No. ENV-2007-3393-EIR (SCH 2007101117), on November 14, 2012, there have been no changes to the Project, no changes with respect to the circumstances under which the Project is being undertaken, or no new information of substantial importance concerning the Project, which cause new significant environmental effects or substantial increase in the severity of previously identified significant effects, and therefore no additional environmental review is required for the Project.
2. APPROVE the Subvention Agreement by and between the City of Los Angeles (the City), 21919 Erwin Street LLC (Erwin), and West Valley Owner LLC (West Valley), (Erwin and West Valley are collectively referred to as the Developer), substantially in the form attached to the Council file as Attachment A (amended March 3, 2014) concerning The Village at Westfield Topanga (Project), and AUTHORIZE the Mayor to execute said agreement.
3. AUTHORIZE the City Administrative Officer (CAO), with consent of the Chief Legislative Analyst (CLA) and the City Attorney, to negotiate and execute additional non-material changes to the Subvention Agreement as necessary.
4. REQUEST the City Attorney to prepare and present an ordinance to establish The Village at Westfield Topanga Public Benefits Trust Fund for the receipt and disbursement of \$3,325,000 to fund community benefits of which \$100,000 will be allocated to the North West Valley Project Mitigation Fund.
5. REQUEST City Attorney to prepare and present an ordinance to establish the North West Valley Project Mitigation Fund for the receipt and disbursement of the \$100,000 referenced in above recommendation number four and the receipt and disbursement of an additional \$200,000 to be received from the developer upon issuance of Certificate of Occupancy or within 18 months whichever comes first.
6. REQUEST the City Attorney to prepare and present an ordinance to establish The Village at Westfield Topanga Trust Fund for the receipt and disbursement of subvention payment pursuant to the Subvention Agreement and to provide for the reporting requirements set forth in California Government Code Section 53083.

Fiscal Impact Statement: The CLA reports that The Village at Westfield Topanga is estimated to generate net new public revenues of approximately \$41.9 million net present value (NPV) in various General Fund revenues over 25 years. City policy allows up to fifty percent of net

new General Fund revenues to be used for the purpose of a subvention. As proposed, The Village at Westfield Topanga would retain up to \$20.9 to \$25 million NPV in net new revenues in various General Fund revenues, for up to 25 years. In no event will the Developer receive more than fifty percent of the net new revenues generated by the Project.

Community Impact Statement: None submitted.

## SUMMARY

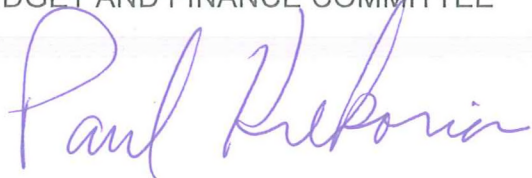
At its regular meeting of March 3, 2014, the Budget and Finance Committee considered a CLA report relative to approval of The Village at Westfield Topanga Subvention Agreement. The CLA reports that in December 2012, the City Council approved a Memorandum of Understanding (MOU) outlining the terms of a subvention to assist the development of The Village at Westfield Topanga (Project), to be developed by Westfield, LLC. Westfield, LLC has proposed to develop the Project under the legal entities 21919 Erwin Street LLC and West Valley Owners LLC (collectively the Developer). The proposed Project is comprised of the construction of a new 549,394 square foot, first class mixed-use development that will include a relocated Costco Wholesale store as the anchor retail tenant occupying approximately 165,759 square feet with an ancillary member-only fueling station. The Project will also include upscale retail, boutique specialty shops, personal services, restaurants, a community center, associated common spaces, parking, landscaping and other uses typically found in a first class regional shopping center. Due to current market conditions, the Developer has opted not to include a hotel component in this initial phase of the development but reserves the right to pursue construction of a hotel in the future. The proposed development will be located on the southeast corner of Victory and Topanga Canyon Boulevards in the Warner Center Region of the City of Los Angeles.

The CLA further reports that in June 2013, the City Council instructed the CLA to negotiate a final Subvention Agreement to implement those terms outlined in the MOU. In accordance with the approved MOU, negotiations have resulted in a proposed Subvention Agreement which would provide approximately \$20.9 to \$25 million net present value over a 25-year term to support development of the Project. The Developer will guarantee that the City continue to receive current City public revenues generated at the project site of approximately \$116,141 annually. The Developer will also implement a community benefits package that includes a contribution of \$3.325 million to establish The Village at Westfield Topanga Public Benefits Trust Fund. The CLA report, attached to the Council file, contains background information and a copy of the proposed Subvention Agreement.

During the Committee's discussion, the CLA and City Attorney representatives presented an overview of the matter and responded to related questions from Committee members. Exhibit K (Estimated City Deposit Schedule) of the proposed Subvention Agreement was distributed and discussed in detail. Councilmember Englander requested an amendment relative to the North West Valley Project Mitigation Fund. After further discussion and having provided an opportunity for public comment, the Committee recommended that Council adopt the CLA recommendations as amended in Committee and reflected in the Committee recommendations above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	YES
KORETZ:	ABSENT
BLUMENFIELD:	YES
BONIN:	YES

ep

11-1980-S5 3-3-14

**ADOPTED**

MAR 4 2014

**LOS ANGELES CITY COUNCIL**

**FORTHWITH**

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**