



**MICHAEL N. FEUER**  
City Attorney

REPORT NO. R16-0192

JUN 13 2016

REPORT RE:

**DRAFT ORDINANCE AUTHORIZING THE ADOPTION OF  
AN AMENDMENT TO THE DEVELOPMENT AGREEMENT BY AND BETWEEN  
THE CITY OF LOS ANGELES AND UNIVERSAL STUDIOS, LLC**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Council File No. 12-1657-S12  
CPC-2007-253-DA

Honorable Members:

On February 26, 2016, the City Planning Commission recommended that the City Council adopt an ordinance authorizing the execution of an amendment to the Development Agreement between Universal Studios, LLC, a Delaware limited liability company (the Developer), and the City. On May 10, 2016, your Honorable Body took an action requesting that our Office prepare and present the necessary ordinance.

As requested, this Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality, and the Amendment to the Development Agreement (the Amendment) in a form we can also approve.

### Background

The Development Agreement executed on April 5, 2013 (the Original Agreement), vested development rights related to the proposed NBC Universal Evolution Plan (the Project). The Project provided for the development of approximately 2.68 million square feet of net new studio, studio office, office, entertainment, entertainment retail and hotel uses over an approximately 391-acre site, with approximately 95 acres located in the City of Los Angeles and 296 acres in the unincorporated area of Los Angeles County.

The Original Agreement required the Developer to provide payments to a City segregated fund in amounts totaling \$250,000 for funding of public benefit improvements in the Outpost community and for Cahuenga Boulevard. However, the City and the Developer have since determined that it would be more efficient for the Developer to provide these funds directly to the Outpost Homeowners Association and Cahuenga Property Owners, respectively, and to reimburse the Developer any amounts previously deposited in the City segregated account under the Original Agreement. The Amendment is being entered into in order to effectuate these changes.

### City Planning Commission Action and Findings

On February 25, 2016, the City Planning Commission recommended that the City Council approve the Amendment. It adopted the required Charter and Government Code findings prepared by the Department of City Planning that are contained in the Planning Department staff report to the City Planning Commission, at pages F-1 through F-2. Should the City Council adopt this ordinance, it may comply with the provisions of Charter Section 558 and the Government Code by adopting the findings adopted by City Planning Commission or by making its own findings.

### California Environmental Quality Act (CEQA)

If the City Council wishes to adopt the ordinance and Amendment, it must first comply with CEQA. The Environmental Impact Report (EIR) for the project was previously certified by the City Council on November 14, 2012, and a Notice of Determination pertaining to such action was filed with the Los Angeles County Clerk on November 16, 2012. Therefore, the City Council may comply with CEQA by taking the following action prior to, or concurrent with, any action to adopt the ordinance and Amendment:

Find under the California Public Resources Code Section 21166 and the State's Environmental Quality Act (CEQA) Guidelines Section 15162, on the basis of substantial evidence contained in the whole record, that since certification of EIR No. ENV-2007-254-EIR (SCH 2007071036), on November 14, 2012, there have been no changes to the Project, changes with respect to the

circumstances under which the Project is being undertaken, or new information of substantial importance concerning the Project, which cause new significant environmental effects or a substantial increase in the severity of previously identified significant effects, and therefore no additional environmental review is required for the Project.

#### Council Rule 38 Referral

Pursuant to Council Rule 38, copies of the draft ordinance and the Amendment were sent to the Department of Building and Safety, and Department of Transportation, with a request to direct any comments directly to your Honorable Body or your Committees at the time this matter is considered.

#### Government Code Requirements for Notice and Hearing

Before action may be taken on either the draft ordinance or the Amendment, the City must comply with the provisions of Government Code Sections 65867, 65090 and 65091. Those Sections require, among other things, notice and a public hearing. In addition, the City's development agreement procedures state that the City Council shall not take any action on any development agreement prior to the expiration of a 24-day notice. In this instance, however, the City Council previously acted to waive the notice requirements found in the City's development agreement procedures with respect to this Amendment.

#### Recommended Actions

If the City Council wishes to approve the proposed Amendment as recommended by the City Planning Commission, it must:

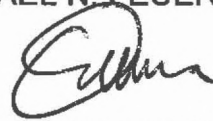
1. Find under the California Public Resources Code Section 21166 and the State's Environmental Quality Act (CEQA) Guidelines Section 15162, on the basis of substantial evidence contained in the whole record, that since certification of EIR No. ENV-2007-254-EIR (SCH 2007071036), on November 14, 2012, there have been no changes to the Project, changes with respect to the circumstances under which the Project is being undertaken, or new information of substantial importance concerning the Project, which cause new significant environmental effects or a substantial increase in the severity of previously identified significant effects, and therefore no additional environmental review is required for the Project; and
2. Adopt the enclosed draft ordinance authorizing the execution of the Amendment.

If you have any questions regarding this matter, please contact Deputy City Attorney Laura Cadogan Hurd at (213) 978-8177. She or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By



DAVID MICHAELSON  
Chief Assistant City Attorney

DM/LCH:mrc  
Transmittal