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May 18, 2016

Honorable Councilmember Curren Price, Chair
Honorable Councilmember Gil Cedillo, Vice Chair
Honorable Councilmember Paul Krekorian
Honorable Councilmember Nury Martinez
Honorable Councilmember Marqueece Harris-Dawson
Economic Development Committee
200 North Spring Street, Room 420
Los Angeles, California 90012

Re: Grand Avenue Project

Honorable Chair, Vice-Chair and Members:

Once again I urge your approval of the City's reconfirmed support for the Grand Avenue Project with approval of the proposed Equinox hotel and other issues related to the updated project. I was the founding chairman of the Grand Avenue Committee when it was formed in 2001 and was involved in the earliest conversations between the City and County about the development of Grand Avenue back in 1999. The City Council and County Board of Supervisors had the foresight to recognize the potential of an integrated residential, retail and civic development to bring together this region in a vibrant city center in the heart of downtown Los Angeles.

With the opening four years ago of Grand Park and the opening last year of The Broad and our adjacent public plaza, Related's apartment tower, the Emerson, and two new restaurants, this vision is being realized. Now, with the City's approval, Related is on track to complete development of the Grand Avenue Project and bring to fruition this project that we envisioned more than a decade ago. The transient occupancy tax rebate is a critical incentive for this development and the Grand Avenue project is a critical development for this region. The TOT and parking tax rebate have been previously approved by the City Council in 2007 and Related has now secured both an exciting new hotel concept and an equity investor to move forward with this nearly \$1 billion endeavor.

Related has reached terms with its equity investor, a major step forward for the project's financing, but resolution is required of the key terms on the government agreements before funding can commence. Your approval of an updated MOU for the full 25 year TOT rebate for the hotel, together with the parking tax rebate, is a key part of that, and now lies directly in the project's critical path. I urge you to ensure the City maintains its original commitment for a full rebate of the TOT.

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Following approval of the MOU, it must also be a priority for the Council to act quickly so that remaining issues such as incentive rent provisions and other issues critical to completing agreements with the other members of the Joint Powers Authority, are resolved.

Thank you for your visionary support of the Grand Avenue Project.

With best regards,

A handwritten signature in black ink, appearing to read "E. L. Boud". The signature is written in a cursive, flowing style.