



# Los Angeles Grand Avenue Authority



## **Board of Directors**

Hon. Gloria Molina, Chair  
Hon. José Huizar, Vice Chair  
William T Fujioka, Secretary  
Steve Valenzuela, Director

May 5, 2014

Holly L. Wolcott  
City Clerk  
City of Los Angeles  
200 N. Spring Street, Room 360  
Los Angeles, CA 90012

Dear Ms. Wolcott:

### **GRAND AVENUE PROJECT FOURTH AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT**

On behalf of the Los Angeles Grand Avenue Authority, I am transmitting for City Council approval of the proposed Fourth Amendment to the Disposition and Development Agreement (DDA) among The Los Angeles Grand Avenue Authority, Grand Avenue L.A., LLC, and Grand Avenue M Housing Partners, LLC, to implement the revision to the Scope of Development of the project located at Grand Avenue and 1<sup>st</sup> Street. We also request that the City Council consider the information contained in the Second Addendum and Final EIR prior to approving the Fourth Amendment to the DDA.

In accordance with Section 1612 of the DDA, any amendment of the DDA requires the approval of the City Council of the City of Los Angeles, the Board of Supervisors of the County of Los Angeles, the Board of CRA/LA, a designated local authority, and the Los Angeles Grand Avenue Authority. The County Board of Supervisors approved this at its April 22, 2014 meeting and the CRA/LA approved this at its May 1, 2014 meeting. We respectfully request that this matter be agendaized for consideration by the City Council prior to July 31, 2014.

Please contact the undersigned if you have any questions regarding this request.

Sincerely,

DAVID JAN TAKATA  
Staff to the Grand Avenue Authority

DJT:CF:zu

c: Gerry Miller, Chief Legislative Analyst  
John Wickham, CLA's Office  
Timothy J. Chung, Deputy City Attorney  
Helen S. Parker, Principal Deputy County Counsel  
Jenny Scanlin, CRA/LA

**FOURTH AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT**  
**(GRAND AVENUE)**

**THIS FOURTH AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT** (“**Amendment**”) is entered into as of January 21, 2014, by and among THE LOS ANGELES GRAND AVENUE AUTHORITY, a California joint powers authority (“**Authority**”), GRAND AVENUE L.A., LLC, a Delaware limited liability company (“**Developer**”), and GRAND AVENUE M HOUSING PARTNERS, LLC, a California limited liability company (“**Phase IIB Developer**”) with reference to the following facts and objectives:

**RECITALS**

A. Authority and Developer are parties to that certain Disposition and Development Agreement (Grand Avenue) dated as of March 5, 2007 (the “**Original DDA**”). Authority, Developer, and The Broad Collection, a California nonprofit public benefit corporation (“**Phase IIA Developer**”), are parties to that certain First Amendment to Disposition and Development Agreement (Grand Avenue) dated as of August 23, 2010 (the “**DDA First Amendment**”). Authority, Developer, and Phase IIA Developer are parties to that certain Second Amendment to Disposition and Development Agreement (Grand Avenue) dated as of May 31, 2011 (the “**DDA Second Amendment**”). Authority, Developer, Phase IIA Developer, and Phase IIB Developer are parties to that certain Third Amendment to Disposition and Development Agreement (Grand Avenue) dated as of December 1, 2012 (the “**DDA Third Amendment**”). Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the Original DDA, the DDA First Amendment, the DDA Second Amendment and the DDA Third Amendment, as applicable. The Original DDA as amended by the DDA First Amendment, the DDA Second Amendment, the DDA Third Amendment and this Amendment is referred to herein as the “**Amended DDA.**”

B. Authority and Developer are parties to that certain Ground Lease (Phase I – Parcel Q) dated as of March 5, 2007 (the “**Phase I Ground Lease**”) pursuant to which Developer leases the premises described therein, known as “Parcel Q” of the Redevelopment Plan, and defined as the “Phase I Parcel” in the Original DDA. In the most recent of a series of extensions, on September 30, 2013, Authority granted Developer a time period to present Authority with proposals for possible changes in the scope, timing and nature of the development of Phase I (Parcel Q). Developer has presented a proposal for changes in the scope and timing of the development of Phase I. Developer and Authority have agreed to enter into this Amendment to, among other matters, approve the changes in the Scope of Development for Phase I.

C. Developer has proposed various changes to the Scope of Development for Phase I. In connection therewith, Developer has prepared and Authority and the Los Angeles County Board of Supervisors (the “**County Board**”), by and upon their execution of this Amendment, have approved, an overall plan for Phase I including drawings or renderings that illustrate in detail the ground floor public circulation and the architectural character of the plaza and the Grand Avenue, Olive and First Street frontages, as well as conceptual elevations of the upper floor tower elements, as set forth on Exhibit “A” attached hereto (the “**Parcel Q Design Plan**”).

D. In order to implement the Parcel Q Design Plan, Developer has requested that

Authority enter into this Amendment to, among other matters, amend the Scope of Development for Phase I and extend deadlines for Developer to perform its obligations under the Original DDA and the Ground Lease with respect to the development of Phase I.

E. An amendment to the Scope of Development requires approval of the Governing Entities as provided in Section 402 of the Original DDA. The Amendment of the Original DDA and the Scope of Development in order to further the development of Parcel Q is in the vital and best interests of the City and the County and the health, safety, morals and welfare of their residents, and consistent with the public purposes and provisions of the applicable federal, state and local laws and requirements, and, in particular, the Community Redevelopment Law of the State of California Health and Safety Code Section 33000 et seq.

NOW THEREFORE, in consideration of the foregoing Recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Authority, Developer, and Phase IIB Developer hereby agree as follows, effective upon the date that this Amendment has been executed and delivered by Authority, Developer, and Phase IIB Developer and approved by the Governing Entities:

1. **Recitals Incorporated by Reference.** The foregoing Recitals A through E are hereby incorporated into and made a part of this Amendment.
2. **Amendment of Definitions.** The following definitions are hereby added to Section 110 of the Original DDA:
  - (1) "City MOU" is defined in Section 3.2.1(b).
  - (2) "County Board" is defined in Recital C.
  - (3) "DDA Fourth Amendment" means this Amendment.
  - (4) "Escrow Holder" is defined in Section 3.6.
  - (5) "Extension Fee" is defined in Section 4.2.
  - (6) "February Letter Agreement" is defined in Section 4.2.
  - (7) "Grand Avenue Documents" is defined in Section 9.
  - (8) "May Letter Agreement" means that certain Letter of Understanding Re: Term Sheet dated May 13, 2013, between Developer and Authority.
  - (9) "Parcel Q Design Plan" is defined in Recital C.
  - (10) "Phase I Assistance Funds" is defined in Section 4.2.
  - (11) "Preliminary Milestones" is defined in Section 3.2.1.
  - (12) "Public Improvements" is defined in Section 4.4(a).

(13) "Public Infrastructure Investment" is defined in Section 4.4(a).

(14) "Quitclaim Deed" is defined in Section 3.6.

(15) "September Letter Agreement" means that certain Amended and Restated Letter of Understanding Re: Term Sheet dated September 30, 2013, between Developer and Authority.

3. Development of Phase I (Parcel Q).

3.1 Amendment to Phase I Scope of Development. Parts II, IIA, and IIIF of the Scope of Development attached as Exhibit "C" to the DDA Third Amendment are hereby amended and restated in their entirety as set forth in Exhibit "D" attached hereto.

3.2 Amendment to Phase I Schedule of Performance; Milestones.

3.2.1 The Schedule of Performance for Phase I, incorporated in Exhibit C of the Original DDA is deleted and shall be replaced by the Schedule of Performance developed pursuant to Section 3.2.1(a)(2) below. Developer shall Commence Construction of Phase I no later than December 31, 2015, and "complete construction" (defined in the Original DDA as submittal of "a certificate of substantial completion from Developer's Architect with respect to the Phase I Improvements") of Phase I no later than September 30, 2019. In addition, all of the following must occur regarding Phase I (collectively, the "Preliminary Milestones"):

(a) No later than March 31, 2014, Developer shall:

(1) Submit to the Authority a pro forma budget for Phase I;

(2) Submit to the Authority a Schedule of Performance for Phase I substantially as attached hereto as Exhibit "B" with the blanks completed, which shall be subject to the Authority's approval prior to incorporation into this Amendment as the Schedule of Performance for Phase I; provided that in no event shall the fixed dates currently in Exhibit "B" attached hereto be modified by Developer; and

(3) Submit to Authority's counsel, Gilchrist & Rutter, for confidential review in accordance with Section 904(ii) of the Original DDA, a copy of an executed preliminary venture agreement and management agreement with respect to Phase I between Developer and SBE Hotel Group, LLC, or another operator of a First Class Hotel (as defined in Section 110 of the Original DDA), which operator may be approved or disapproved by the Authority as provided in the DDA. The foregoing shall not limit the Authority's rights, or relieve Developer of its obligations, under Sections 904 and 906 of the Original DDA.

(b) No later than July 31, 2014, the City shall preliminarily approve of the Parking and Hotel Tax Rebates (as defined in Section 101(7) of the Original DDA) in an updated Memorandum of Understanding between the City and Developer ("City MOU"), and the City will direct its staff to prepare the necessary documents (and enabling ordinance if required) to effect such Parking and Hotel Tax Rebates, subject to the City's right to further approve such implementing documents.

3.2.2 Except as expressly provided in Section 3.6 below, if any of the Preliminary Milestones are not met, then the DDA (except with respect to Phases IIA, IIB and IIC) and the Phase I Ground Lease will terminate automatically on the date that the Preliminary Milestone is missed, without the requirement of any notice to Developer or any Cure Period or other cure rights, and Developer hereby expressly waives any and all notice and cure rights Developer may have under any of the Grand Avenue Documents, it being understood and acknowledged by Developer that Authority would not execute this Amendment without this explicit waiver by Developer. In the event of a termination under this Section 3.2.2, the Authority staff will have the right to cause the Quitclaim Deed to be recorded as set forth in Section 3.6 below.

3.2.3 Notwithstanding anything to the contrary in the Amended DDA, there shall be no extension of the March 31, 2014 and July 31, 2014 dates in this Section 3.2 and in Exhibit "B" attached hereto pursuant to Section 1604 of the Original DDA or otherwise, due to the failure to act of any public or governmental agency or entity (except that acts or the failure to act of Authority shall not excuse performance by Authority).

3.3 Intentionally Omitted.

3.4 **General Standards and Guidelines.** Developer shall develop Parcel Q such that the resulting project is of the same quality as the original approved project contemplated by the Original DDA (as determined by the Authority and the County Board in their sole discretion), recognizing that Parcel Q is a unique full city block directly across the street from The Walt Disney Concert Hall, a world-recognized architectural structure, and adjacent to the Music Center of Los Angeles County, the Broad Art Museum, the Colburn School of Performing Arts and the Civic Center. The Authority is seeking well-designed buildings which create architectural landmarks, encourage pedestrian activity and interaction with neighboring residential, cultural and commercial land uses and contribute to the vitality of the Grand Avenue corridor, and has determined that the Parcel Q Design Plan complies with these requirements. Not in limitation of the foregoing provisions of this Section 3.4, with respect to the development of Parcel Q, Developer shall comply with all standards and guidelines applicable to the Phase I Parcel and development thereon set forth in the Original DDA, the Phase I Ground Lease, and the Parcel Q Design Plan, including (A) the design guidelines set forth in paragraphs A through P of Section III in Exhibit A to the Original DDA and attached hereto as Exhibit "F" and (B) the document dated October 2003 entitled "Reimagining Grand Avenue" which is attached hereto as Exhibit "G"; provided that in the event of any inconsistency between Exhibit "F" and Exhibit "G", Exhibit "F" shall control.

3.5 **Authority Review and Approval of Plans, Drawings and Related Documents.** Authority's prior delegation, under the DDA Second Amendment, of the obligation and authority to review and approve all Project Documents relating to each Phase of the Grand Avenue Project to the Real Property Negotiator, the Grand Avenue Committee, acting through its Managing Director (or alternatively, staff members designated as replacements therefor) shall not apply to Concept Design or Schematic Design Drawings for Phase I. Instead, all Concept Design Drawings and Schematic Design Drawing for Phase I, regardless of the type of improvement, shall require the prior review and written approval of Authority and the County Board. Subject to Section 405 of the Original DDA, Authority's standard of approval with respect to

improvements on Parcel Q funded entirely by private funds shall be at Authority's reasonable discretion, and Authority's standard of approval for improvements for public use and/or access on Parcel Q funded in whole or in part by public funds shall be at Authority's sole and absolute discretion, taking into account, among other matters, the amount of public funds previously committed under the Original DDA and available for improvements on Phase I.

### 3.6 Quitclaim Deed.

(a) Within three (3) days after Developer's execution and delivery of this Amendment, Developer and its parent, The Related Companies, L.P., shall sign and deliver to First American Title Company, as escrow holder ("**Escrow Holder**"), a quitclaim deed substantially in the form of Exhibit "H" attached hereto (the "**Quitclaim Deed**"), fully executed, notarized and in recordable form, quitclaiming all right, title and interest in and to Parcel Q and terminating the Phase I Ground Lease, together with irrevocable instructions to the Escrow Holder to record said Quitclaim Deed in the Official Records of Los Angeles County, California upon receipt of written instructions from the Authority staff stating that pursuant to this Amendment the Ground Lease has terminated and the Quitclaim Deed is to be recorded, or that the Quitclaim Deed shall be returned to the Developer because both the March 31, 2014 and July 31, 2014 milestones have been met.

(b) If the City fails to deliver the City MOU or fails to approve this Amendment by July 31, 2014, Authority and Developer agree to meet and confer for up to thirty (30) days. Unless the City has delivered the City MOU and approved this Amendment at the end of the 30-day meet and confer period, the DDA (except with respect to Phases IIA, IIB and IIC) and the Phase I Ground Lease will terminate automatically as provided in Section 3.2.2 above, and Authority staff will instruct Escrow Holder to record the Quitclaim Deed following a five (5) day notice to the Developer.

(c) The instructions to Escrow Holder, which shall be copied to Developer, shall provide that no recordation of the Quitclaim Deed shall occur under either Sections 3.6(a) or (b) above prior to the sixth day after notice to the Developer.

## 4. Financial Matters Regarding Phase I.

4.1 Leasehold Acquisition Fee. Developer previously paid Authority the Leasehold Acquisition Fee for Phase I and a portion of Phase IIB in an aggregate amount equal to Fifty Million Dollars (\$50,000,000), together with interest thereon. Under no circumstance, whether past, present or future, is Developer or any Developer Indemnified Party entitled to any refund, reimbursement, repayment, offset or recovery of the Leasehold Acquisition Fee or any interest thereon.

### 4.2 Developer's Additional Payment Commitments.

4.2.1 Developer Anticipated Expenditures. Between October 1, 2013 and the date upon which Developer submits 80 % Construction Documents to the Authority for review, Developer shall commit expenditures in the amount of at least Eight Million Dollars (\$8,000,000) for architecture and engineering, consultant fees, legal fees, and other expenditures in furtherance of future construction of improvements on Parcel Q.

4.2.2 Extension Fee. On the earlier to occur of (i) submission of 80% Construction Documents to the Authority, or (ii) September 30, 2015, Developer shall pay Authority an amount equal to Seven Million Dollars (\$7,000,000) (the "**Extension Fee**"), which constitutes the sum of (i) an extension fee of Six Million Dollars (\$6,000,000) due pursuant to that certain Letter of Understanding Re: Phase I Commencement of Construction dated February 15, 2013, between Developer and Authority (the "**February Letter Agreement**"); and (ii) a separate lump sum payment of One Million Dollars (\$1,000,000) due pursuant to the February Letter Agreement. The Extension Fee shall be placed in an interest-earning account. Authority shall allocate and distribute the Extension Fee plus any interest earned thereon (collectively, the "**Phase I Assistance Funds**") to Developer for construction of Public Improvements and/or affordable housing on the Phase I Parcel as contemplated in the Original DDA. Authority shall have sole discretion with respect to the allocation (among the uses permitted under this Section 4.2) and timing of disbursement of the Phase I Assistance Funds, which allocation, manner and timing, shall take into account Developer's construction budget, provided, however, (i) all determinations as to the allocation and timing of disbursement of the Phase I Assistance Funds shall be made prior to Developer's commencement of construction of Phase I, and (ii) all Phase I Assistance Funds shall be distributed to Developer prior to completion of construction of Phase I (subject to a 10% retention reserve). For avoidance of doubt, if Developer does not commence construction of Phase I for any reason or if a Terminating Event with respect to Phase I occurs for any reason, Developer shall have no right to any allocation or distribution, or to any refund or return of the Extension Fee or any portion thereof, which shall be the sole property of Authority, together with any interest earned thereon. Notwithstanding the foregoing, Developer shall be entitled to retain any portion of the Extension Fee that, prior to the date of the Terminating Event, has been distributed by Authority to Developer and paid by Developer to a third-party in furtherance of construction of Phase I Improvements.

4.3 Incentive Rent. Concurrently with Developer's payment of the Extension Fee, Developer shall pay Authority the amount of One Million Dollars (\$1,000,000) which is an amount that Authority and Developer had previously determined was equal to the stipulated net present value of certain Incentive Rent related to a portion of the residential and retail improvements for Phase I. The One Million Dollars (\$1,000,000) shall be held on behalf of the Authority until the Authority and Developer negotiate a definitive agreement regarding incentive rent for the entirety of Phase I, which agreement shall include a determination regarding the use of the One Million Dollars (\$1,000,000).

4.4 Public Space Improvements; Streetscape Improvements; and Offsite Publicly-Owned Improvements.

(a) Section 301 of the Original DDA states that certain subsidies shall be provided to the Developer as more particularly described in Section 301 (collectively, the "**Public Infrastructure Investment**"). During consideration of Developer's Construction Budget, Authority shall determine the budgeted cost of the Phase I Public Space Improvements, Streetscape Improvements, and Offsite Publicly Owned Improvements (collectively "**Public Improvements**") and any allocation of public funds pursuant to Section 301 of the Original DDA and any Phase I Assistance Funds.

(b) Notwithstanding anything to the contrary contained in this Amendment, on or before the date specified in the Schedule of Performance, Developer and Authority shall meet and confer for up to thirty (30) days to confirm sources of financing for Phase I (including confirming the availability of committed public subsidies, including but not limited to the Public Infrastructure Investment). If revisions to the sources of financing are proposed by either party, the other party shall reasonably consider any proposed amendments to proposed sources of public or private financing. If the amounts of any committed public subsidies, including but not limited to the Public Infrastructure Investment, fall short of the amounts set forth in Section 301 of the Original DDA, Developer will work with the Authority and the Governing Entities to obtain additional funding for the Public Infrastructure Investment through funding mechanisms approved by the Governing Entities, including state and federal funding or other funding mechanisms, except that there is no obligation for the Developer, Authority or the Governing Entities to fund a shortfall in Section 301 funding. Nothing in this paragraph shall be construed to amend or modify any financing obligations set forth in the Amended DDA.

4.5 **Affordable Housing Investment.** Section 301(3)(c) of the Original DDA is hereby amended to provide that, if Developer does not receive the Affordable Housing Investment for the number of Affordable Housing units required by Section 707 of the Original DDA for Phase I, II and/or Phase III, the number of required Affordable Housing Units in such Phase may be reduced to reflect any such shortfall in funding (based on the present value of the Affordable Housing Investment being committed at such time).

4.6 **Developer Public Benefit Contribution.** Developer is obligated to comply with Section 710(b) of the Original DDA provided that Developer's equity contribution to the Affordable Housing units in Phase I is equal to or less than Forty-Four Thousand Dollars (\$44,000) per unit. If Developer's equity contribution is higher than Forty-Four Thousand Dollars (\$44,000) per unit, Developer shall receive a credit against the Permanent Supportive Housing Revolving Loan Fund equal to that additional equity contribution. If the uncredited balance remaining is less than Seven Hundred Fifty Thousand Dollars (\$750,000), then in lieu of a revolving loan program, the sum shall be deposited with the City of Los Angeles Housing and Community Investment Department for investment as predevelopment or permanent funding for affordable housing projects within a five-mile radius of the Grand Avenue Project.

4.7 **Job Training Fund.** Developer shall comply with Section 710(a) of the Original DDA except that the provision of an additional Four Hundred Thousand Dollars (\$400,000) to the CRA's Job Training Program at Commencement of Construction of Phase I shall not apply to Developer. Authority acknowledges receipt of One Hundred Thousand Dollars (\$100,000) paid by Developer to the CRA job training program, and Developer acknowledges that these funds have been expended and will not be refunded or made available as a match for any funds Developer expends to meet its obligations set forth in Exhibit S to the Original DDA. Notwithstanding that CRA funds may not be available to assist Developer, Developer shall satisfy the on-site permanent and construction job benefit requirements set forth in Exhibit S to the Original DDA.

5. **Amendment of Phase I Ground Lease.** Within a reasonable time after Authority's approval of a complete Schedule of Performance for Phase I, Authority and Developer will enter into an amendment to the Phase I Ground Lease to update the Scope of Development and the

Schedule of Performance for Phase I. Consistent amendments to the existing ground leases between the County and CRA, and the CRA and the Authority, shall also be executed.

6. **County Phase III Notice.** The deadline for the County's delivery of the County Phase III Notice shall be extended by the number of days occurring from December 1, 2007, until the date that Commencement of Construction of the Phase I Improvements actually occurs.

7. **Phase IIC; Museum.** Developer shall not construct buildings on Phase IIC within five feet of the Museum or within ten feet of the stairway (if any) located on the Museum Parcel between the plaza and Hope Street, unless such construction complies with the applicable Fire Code and the construction would not require material alteration to the Museum or the stairway.

8. **CEQA Matters.** Subject to the obligations of (i) Phase IIA Developer as set forth in the DDA First Amendment, and (ii) Phase IIB Developer as set forth in the Phase IIB Developer's Environmental Compliance Obligations, Developer shall remain responsible for compliance with the Project description as approved in the final EIR, the Mitigation and Monitoring Program approved as part of the certification of the EIR, and related conditions of approval adopted by the Governing Entities concurrently with approval of the Original DDA, except to the extent that such compliance is determined to have been achieved by Phase IIA Developer or Phase IIB Developer, or except as provided in any adopted subsequent environmental documentation and any additional conditions of approval relating to Phase I.

9. **Release and Waiver of Claims.** Developer and Related, each on behalf of itself and the Developer Indemnified Parties, hereby fully, finally and forever release and waive all rights, causes of action, claims (including, without limitation, claims for refunds, credits, offsets, reimbursements, damages, costs, expenses and attorneys' fees) and defenses (whether legal or equitable) of every kind and nature whatsoever that Developer or Related or the Developer Indemnified Parties has had or may have now or in the future, whether known or unknown and whether suspected or unsuspected, against any of the Authority Indemnified Parties and their predecessors and successors arising out of or in connection with the Amended DDA, the Ground Leases, the February Letter Agreement, the May Letter Agreement, the September Letter Agreement and that certain Civic Park Design Agreement dated as of March 20, 2006, as amended by that certain Amendment to Civic Park Design Agreement dated as of February 26, 2010, and/or any documents, certificates or statements related thereto (collectively, the "**Grand Avenue Documents**") resulting from any actions, omissions or events that occurred prior to the date hereof; provided, however, that the foregoing release and waiver expressly excludes any contractual benefits to which Related or Developer is expressly entitled with respect to Phases IIA and IIB pursuant to the terms and conditions of the Grand Avenue Documents. Without limiting the generality of the foregoing waiver and release, Developer and Related hereby acknowledge and agree that under no circumstance, whether past, present or future, is Developer, Related or any Developer Indemnified Party entitled to any refund, reimbursement, repayment or recovery of (i) any amounts previously paid to Authority or any of the Governing Entities under any of the Grand Avenue Documents, including, without limitation, the Deposit, the Leasehold Acquisition Fee, and the Extension Fee, or (ii) any costs and expenses that have been incurred or expended by Developer or any Developer Indemnified Parties relating to the entitlement, design, construction, processing or otherwise in connection with the Grand Avenue Project. Developer acknowledges that Authority has not breached or defaulted under any provision of the Grand

Avenue Documents and that Authority is in full compliance with the same. In furtherance of the foregoing waiver and release, Developer and Related each acknowledges that it is familiar with Section 1542 of the California Civil Code, which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

Developer and Related each hereby waives and relinquishes any right or benefit which it has or may have under Section 1542 of the California Civil Code or any similar provision of the statutory or non-statutory law of California or any other applicable jurisdiction to the full extent that it may lawfully waive all such rights and benefits pertaining to the subject matter of this Section.

10. **Future Amendments.** The consent of Phase IIB Developer shall not be required for future amendments to the Amended DDA that are solely with respect to Phase I and/or Phase III.

11. **General Provisions.**

11.1 **Consent of Phase IIA Developer Not Required.** Section 12.3 of the DDA First Amendment provides that the consent of Phase IIA Developer is not required for this Amendment because this Amendment is solely with respect to Phase I, Phase II, and/or Phase III.

11.2 **Binding Agreement; Future Amendments.** This Amendment shall be binding upon and inure to the benefit of the parties hereto, their legal representatives, successors and permitted assigns.

11.3 **Ratification; Conflicts.** Except as specifically amended or modified herein including in Section 11.3(a) below, each and every term, covenant, and condition of the Original DDA, as amended by the DDA First Amendment, the DDA Second Amendment, and the DDA Third Amendment, is hereby ratified and shall remain in full force and effect. In the event of a conflict between the Original DDA as amended by the DDA First Amendment, the DDA Second Amendment, the DDA Third Amendment, and this Amendment, this Amendment shall prevail.

(a) **Developer’s Additional Amendments and Modifications as to Changed Conditions.**

1. **Development Entity.** Certain provisions in Section 906 and Section 1501, together with Schedule 1501, of the Original DDA were updated by approval of the Authority in 2008, recognizing the addition of Istithmar Building FZE as an investment partner and the removal of CUIP as an investment partner in the Grand Avenue L.A., LLC entity.

2. **Financial Feasibility of Project.** Certain provisions as to public contributions to the Project require updating given changed conditions since 2007.

a. City of Los Angeles Parking and Hotel Tax Rebates. The parties confirm the continued applicability of Section 101(7) of the Original DDA which addresses Parking and Hotel Tax Rebates. The City has advised that it must update and confirm its analysis of the Parking and Hotel Tax Rebates with the current design, construction budget and revenues, and proposed hotel operator (the “**City Confirmation**”).

b. Update to Section 1617 of Original DDA. Section 1617 shall be updated as follows: Authority understands and acknowledges that Developer has requested the City to preliminarily approve the City Confirmation of the Parking and Hotel Tax Rebates in a City MOU, and thereafter to direct its staff to prepare the necessary documents (including amendments to ordinances, if required) to effect such Parking and Hotel Tax Rebates, subject to the City’s right to further approve such implementing documents. In addition to the meet and confer requirements in Section 3.6, if the City declines to enter into the City MOU or the implementing documents, Developer and Authority shall meet and confer prior to July 31, 2014 to confirm sources of financing for the hotel and parking components of Phase I (including confirming the availability of the Parking and Hotel Tax Rebates). If revisions to the sources of financing are proposed by either party, the other party shall reasonably consider any proposed amendments to proposed sources of public or private financing. Authority recognizes that such a shortfall may lead the Developer to determine that the project is economically infeasible and accordingly, in the event of a shortfall, the parties shall work collaboratively to eliminate the shortfall and/or seek additional sources of public financing. Notwithstanding the foregoing, the Developer and Authority meet and confer provisions specified in this Section shall not extend or alter the requirement of Section 3.2.1(b) of this Amendment requiring the City Confirmation to be obtained by July 31, 2014.

(b) Public Infrastructure Investment. The parties acknowledge that additional review by the State Department of Finance is required before disbursement can be made of the Public Infrastructure Investment due to legislative changes to redevelopment agencies in the State of California, including the Community Redevelopment Agency of the City of Los Angeles. Promptly following approval and execution of this Amendment by the Governing Entities, the CRA will take all necessary steps to confirm its ability to provide the assistance described in Section 301 of the Original DDA, including submitting a request for a final and conclusive determination by the Department of Finance approving such payments.

(c) Updates to Section 210 (3) of Original DDA. Developer represents that in order for Developer to determine whether the Project is financially feasible, confirmation is necessary of the availability of the Public Infrastructure Investment and the Parking and Hotel Tax Rebates, as provided in more detail above; provided that if the Project is determined to be financially feasible, Developer has determined that it has sources of the required equity capital and financing sufficient to fund the development of Phase I of the Project.

11.4 Quarterly Payments. Developer shall continue to pay Authority on a quarterly basis until the earlier of (i) termination (other than with respect to Phases IIA, IIB and IIC) of the DDA or (ii) the Commencement of Construction of Phase I, the sum of \$50,000 for each full calendar quarter (prorated for any partial calendar quarter during said period) (“**Quarterly Payments**”). Such Quarterly Payments shall be paid in arrears at the end of each calendar

quarter. Such Quarterly Payments shall be for the purpose of partially covering certain ongoing costs incurred by Authority in connection with Parcel Q.

11.5 **Reimbursement.** Developer shall reimburse Authority for all out-of-pocket costs incurred by it in connection with (i) discussion, negotiation and drafting of this Amendment and other documents related to the Grand Avenue Project, and (ii) any changes to the Grand Avenue Documents requested by Developer at any time (including, without limitation, fees for the legal services of Gilchrist & Rutter Professional Corporation in connection therewith), within thirty (30) days of invoice therefor.

11.6 **Counterparts.** This Amendment may be executed in one or more counterparts, and each set of duly delivered identical counterparts which includes all signatories shall be deemed to be one original document.

*[Remainder of page intentionally left blank; signatures on following pages]*

IN WITNESS WHEREOF, Authority, Developer, and Phase IIB Developer have caused this Fourth Amendment to Disposition and Development Agreement (Grand Avenue) to be executed as of the day and year first above written.

**“AUTHORITY”**

THE LOS ANGELES GRAND AVENUE  
AUTHORITY,  
a California joint powers authority

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM:

Michael N. Feuer  
City Attorney

By: \_\_\_\_\_  
Timothy J. Chung  
Deputy City Attorney

APPROVED AS TO FORM:

John F. Krattli  
County Counsel

By: \_\_\_\_\_  
Helen S. Parker  
Principal Deputy County Counsel

**“DEVELOPER”**

GRAND AVENUE L.A., LLC,  
a Delaware limited liability company

By: RELATED GRAND AVENUE, LLC,  
a Delaware limited liability company,  
its Manager

By: THE RELATED COMPANIES, L.P.,  
a New York limited partnership,  
its Managing Member

By: The Related Realty Group, Inc.,  
a Delaware corporation,  
its sole General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*[see next page]*

[signatures continued from preceding page]

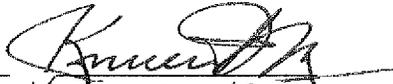
**“DEVELOPER”**

GRAND AVENUE L.A., LLC,  
a Delaware limited liability company

By: RELATED GRAND AVENUE, LLC,  
a Delaware limited liability company,  
its Manager

By: THE RELATED COMPANIES, L.P.,  
a New York limited partnership,  
its Managing Member

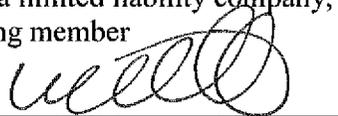
By: The Related Realty Group, Inc.,  
a Delaware corporation,  
its sole General Partner

By:   
Name: KENNETH MONET  
Title: VICE CHAIRMAN

**“PHASE IIB DEVELOPER”**

GRAND AVENUE M HOUSING PARTNERS, LLC,  
a California limited liability company

By: Related/Parcel M Development Co., LLC,  
a California limited liability company,  
its managing member

By:   
William A. Witte, President

[signatures continued from preceding page]

The undersigned hereby consents to and approves of the foregoing Fourth Amendment to Disposition and Development Agreement.

Dated: \_\_\_\_\_

**"CRA"**

CRA/LA, A DESIGNATED LOCAL  
AUTHORITY, a public body formed under  
Health & Safety Code Section 34173(d)(3), as  
successor to the Community Redevelopment  
Agency of the City of Los Angeles

By: \_\_\_\_\_

Steve Valenzuela  
Chief Executive Officer

APPROVED AS TO FORM:

GOLDFARB & LIPMAN LLP

By: \_\_\_\_\_

Thomas Webber  
CRA/LA Special Counsel

[signatures continued on following page]

[signatures continued from preceding page]

The undersigned hereby consents to and approves of the foregoing Fourth Amendment to Disposition and Development Agreement.

Dated: \_\_\_\_\_

"COUNTY"

THE COUNTY OF LOS ANGELES,  
a subdivision of the State Of California

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

APPROVED AS TO FORM:

John F. Krattli  
County Counsel

By: \_\_\_\_\_

Helen S. Parker  
Principal Deputy County Counsel

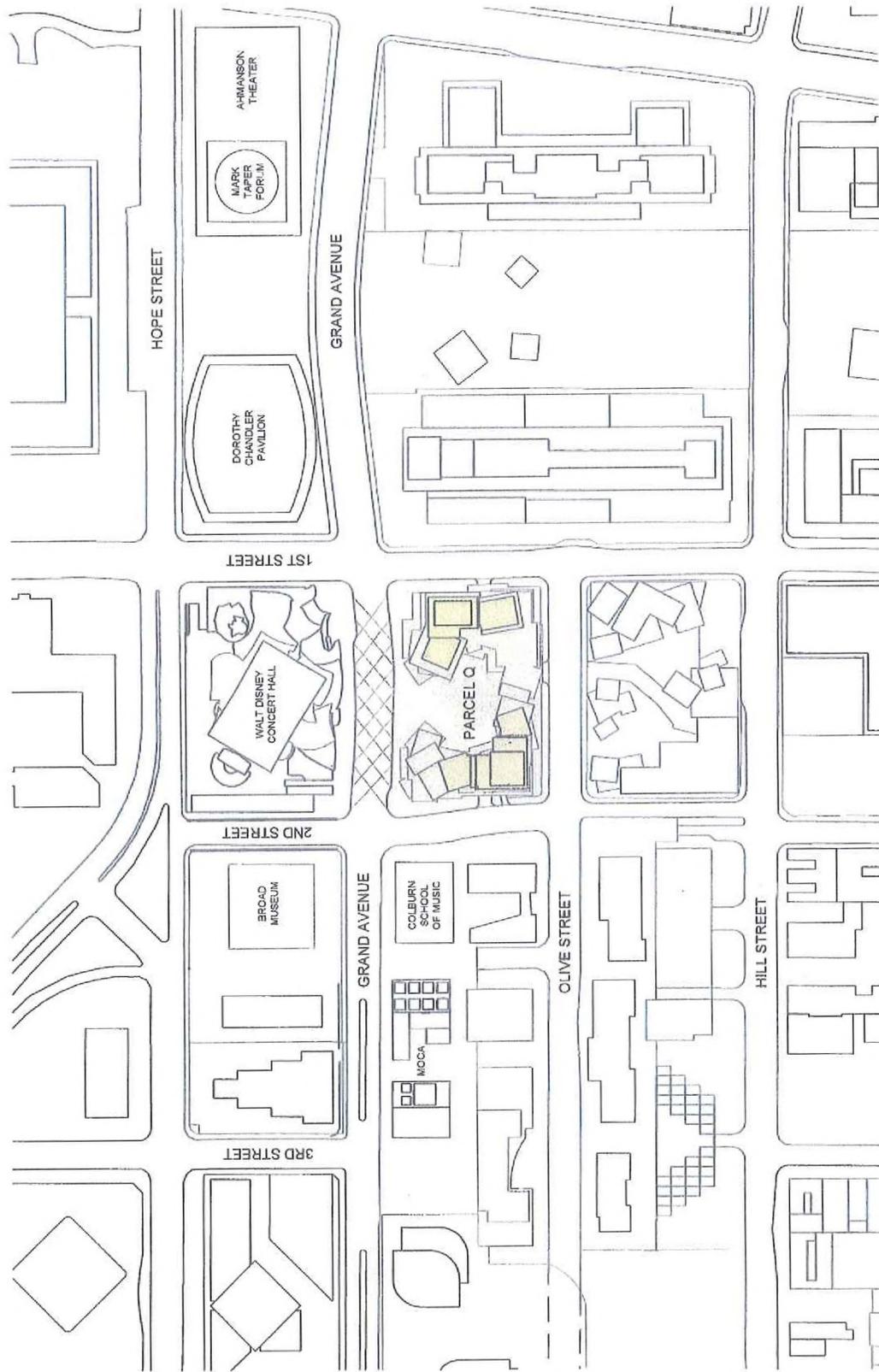
EXHIBIT "A"

PARCEL Q DESIGN PLAN

Attached.



GRAND AVENUE PROJECT - PARCEL Q  
MASTER PLAN AND CONCEPT DESIGN  
NOVEMBER 25, 2013

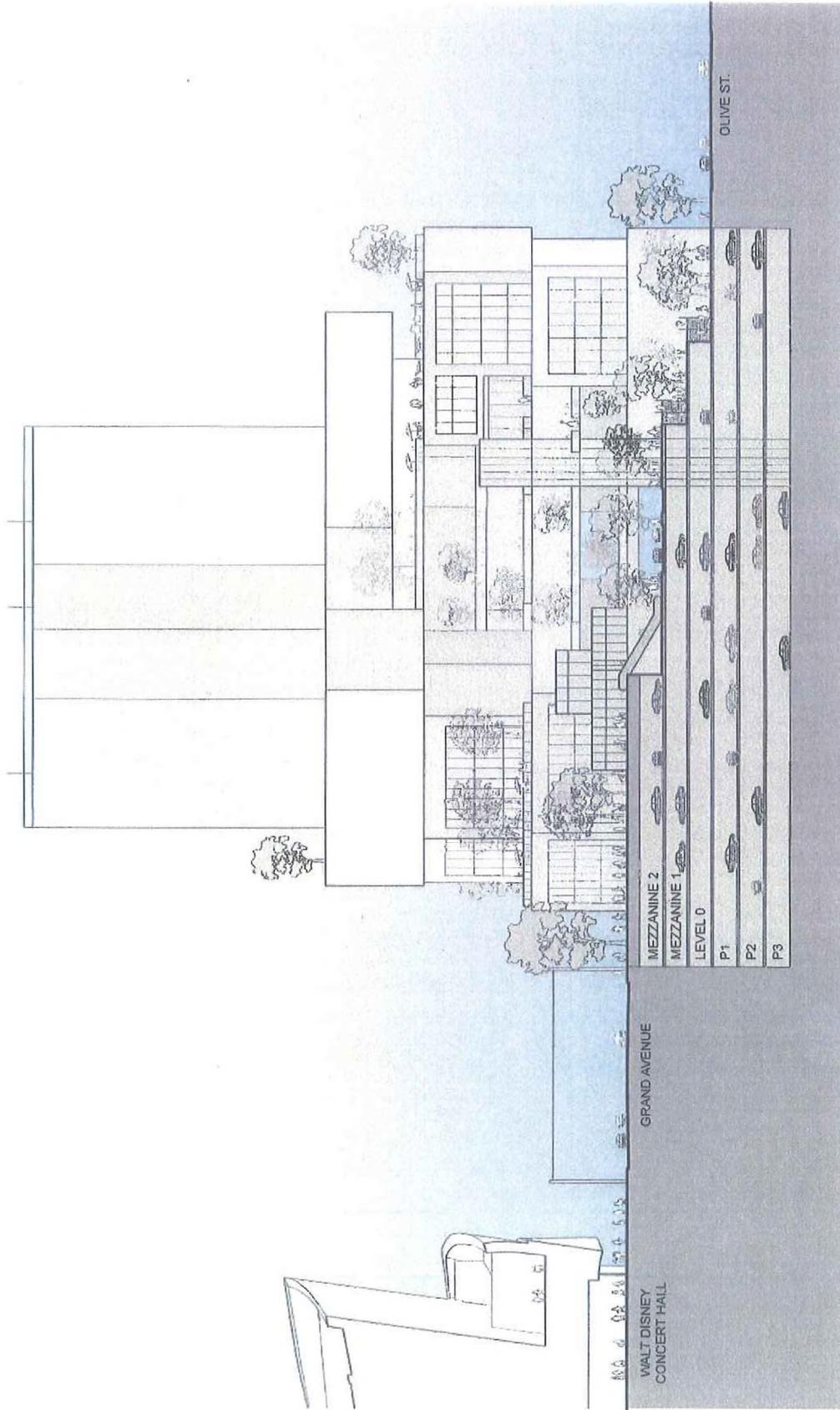




PLAN VIEW OF GRAND AVE

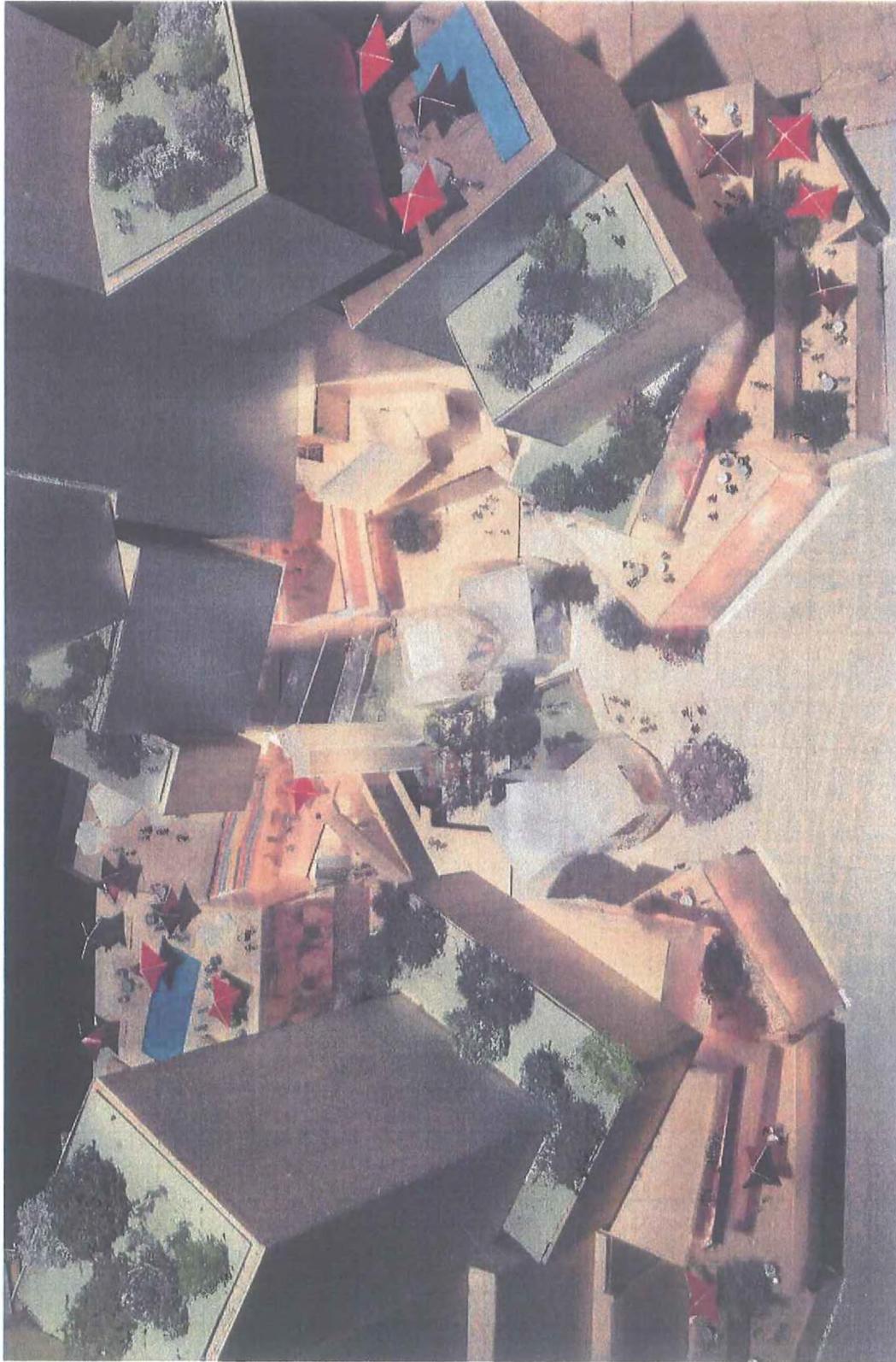
Grand Avenue Project - Parcel Q  
Master Plan and Concept Design  
November 25, 2013

**GRAND AVENUE CONCEPT**



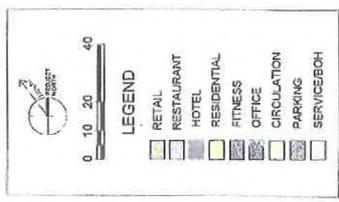
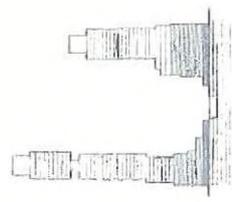
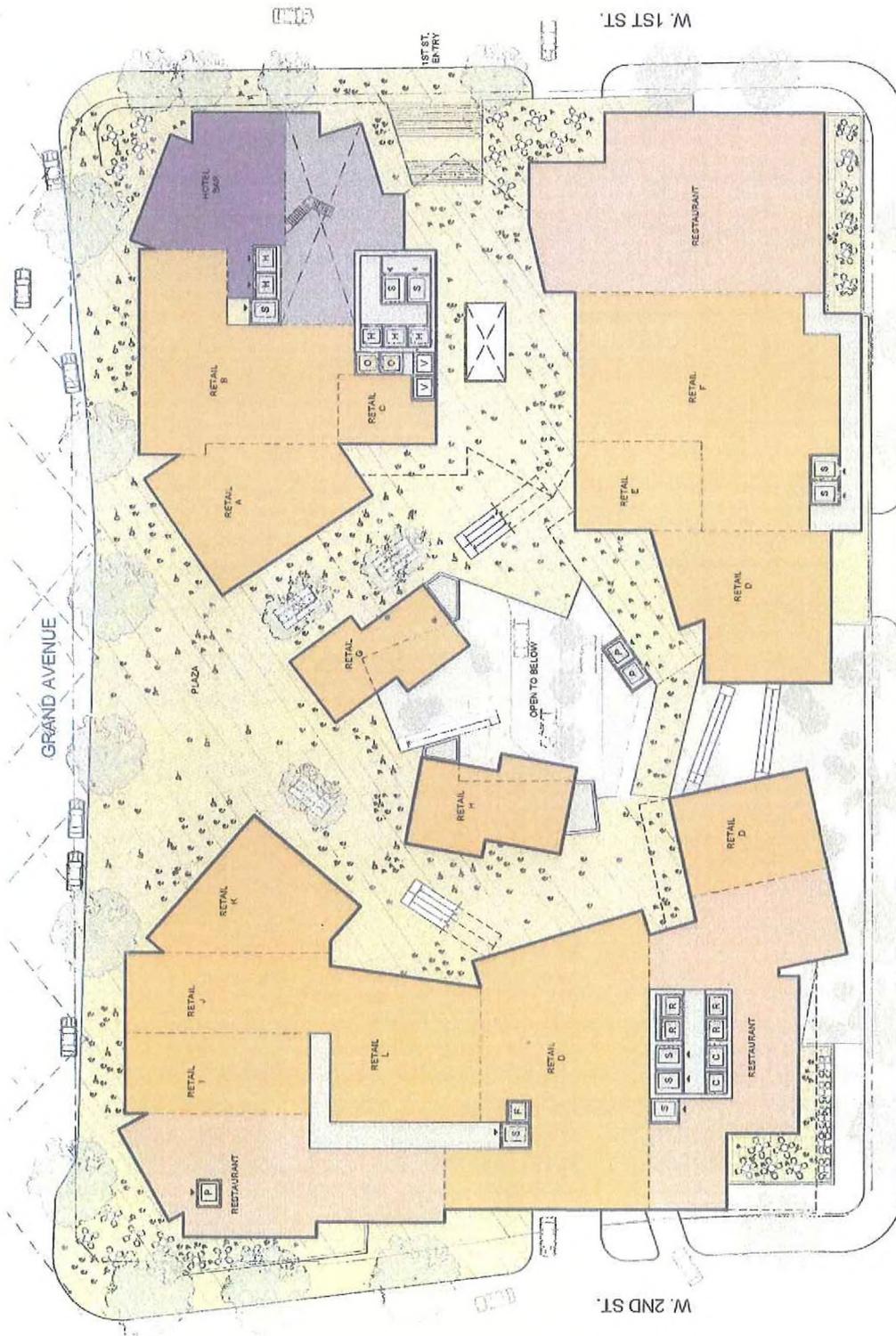
SECTION THROUGH PODIUM LEVEL  
SHOWING CONNECTION BETWEEN GRAVE AVE & OLIVE ST.

Grand Avenue Project - Parcel Q  
Master Plan and Concept Design  
November 25, 2013



VIEW OF GRAND AVENUE PLAZA AND  
CONNECTION TO S OLIVE ST.

Grand Avenue Project - Parcel Q  
Master Plan and Concept Design  
November 25, 2013

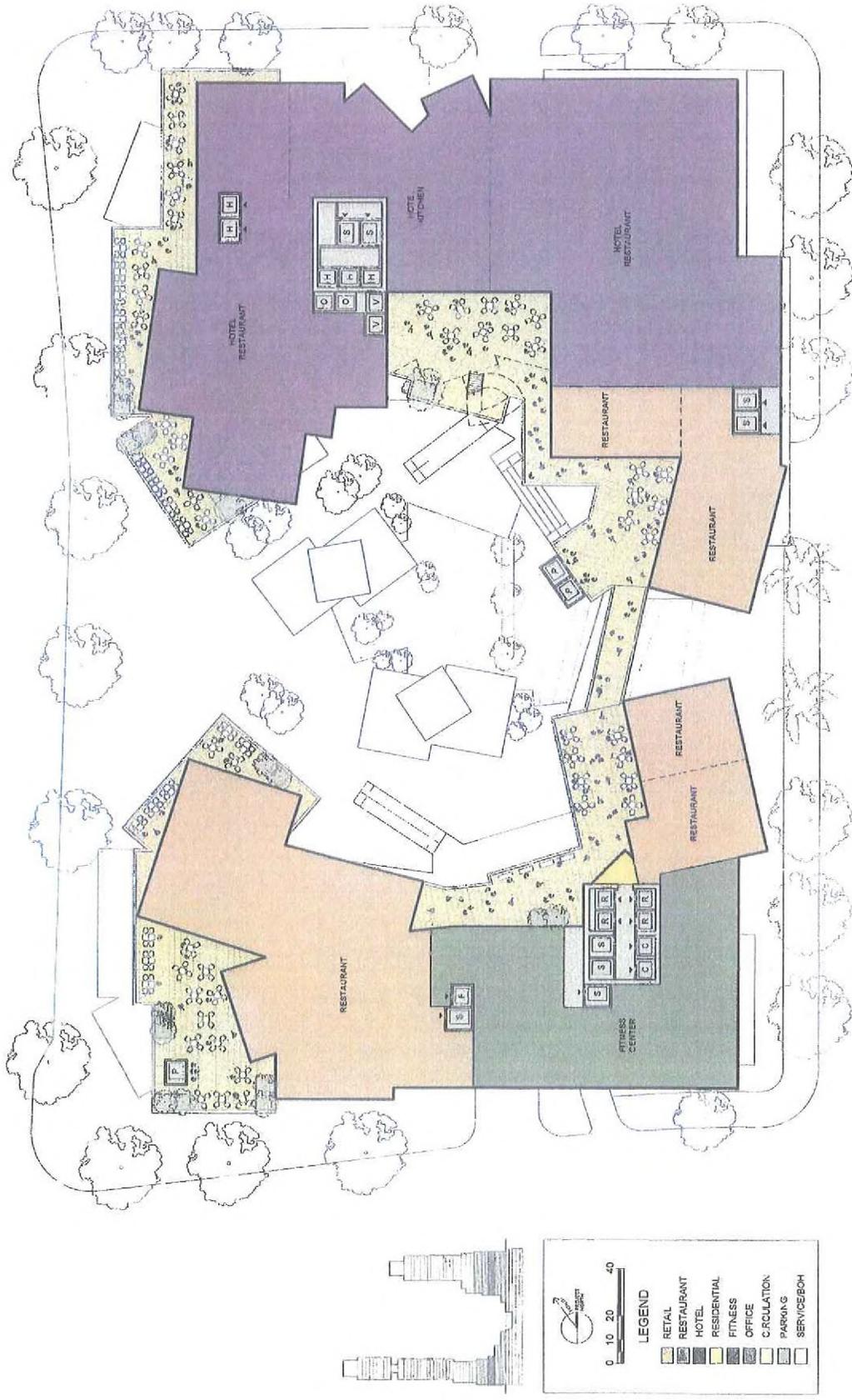


Grand Avenue Project - Parcel Q  
 Master Plan and Concept Design  
 November 25, 2013

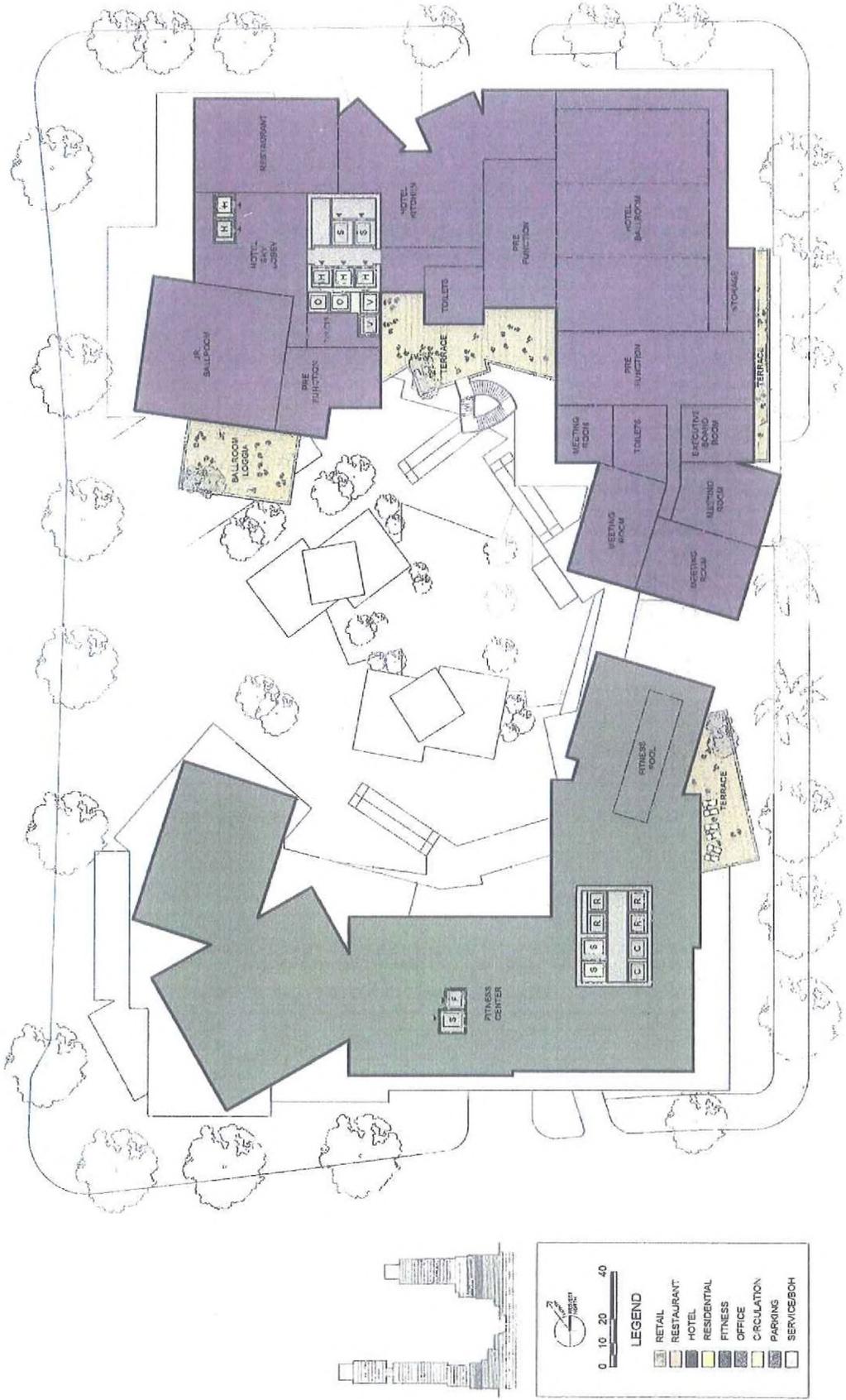
LEVEL 01 PLAN - GRAND AVE.  
 EL. +387'-0"

**RELATED**  
 © 2013 Genry Partners, LLP

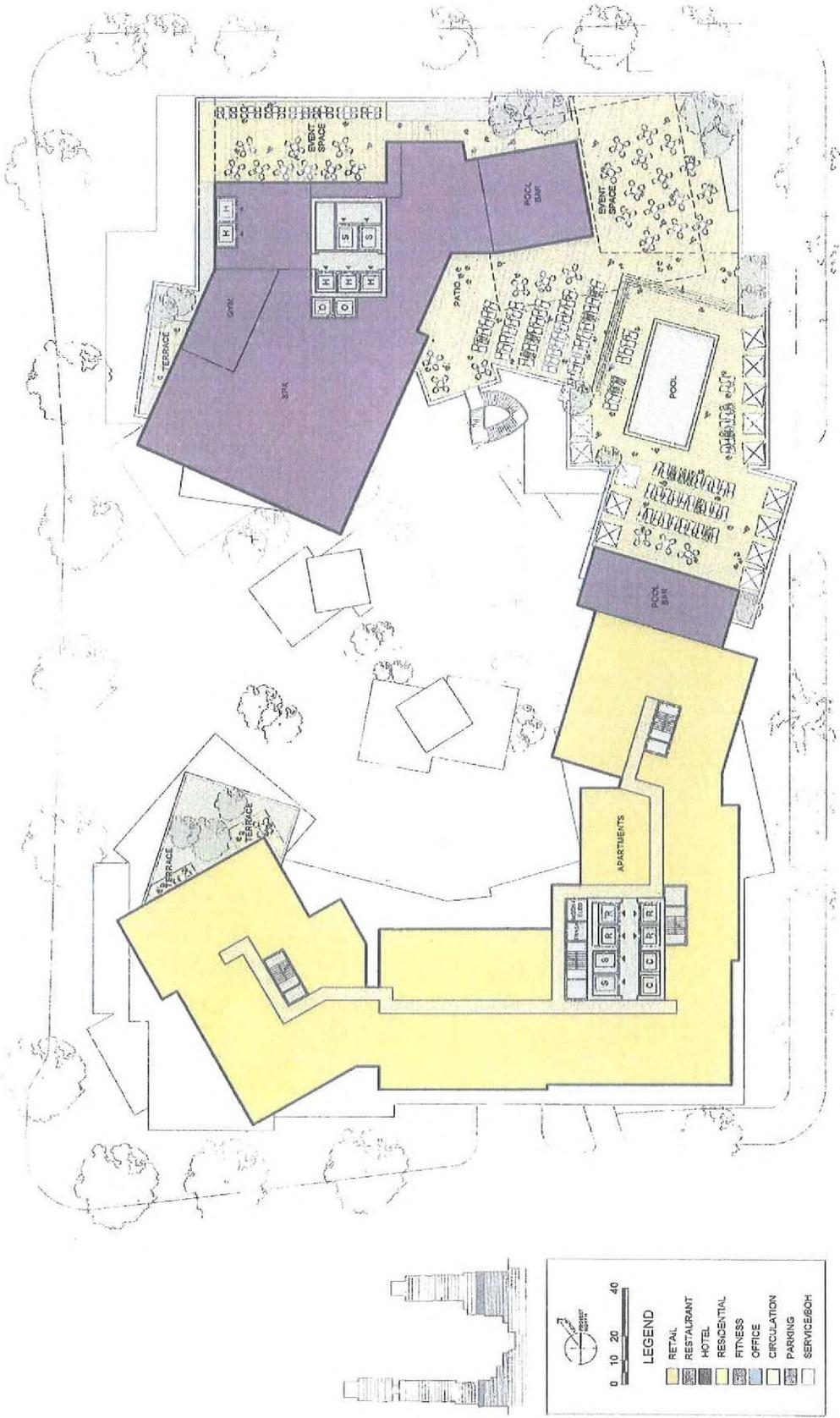




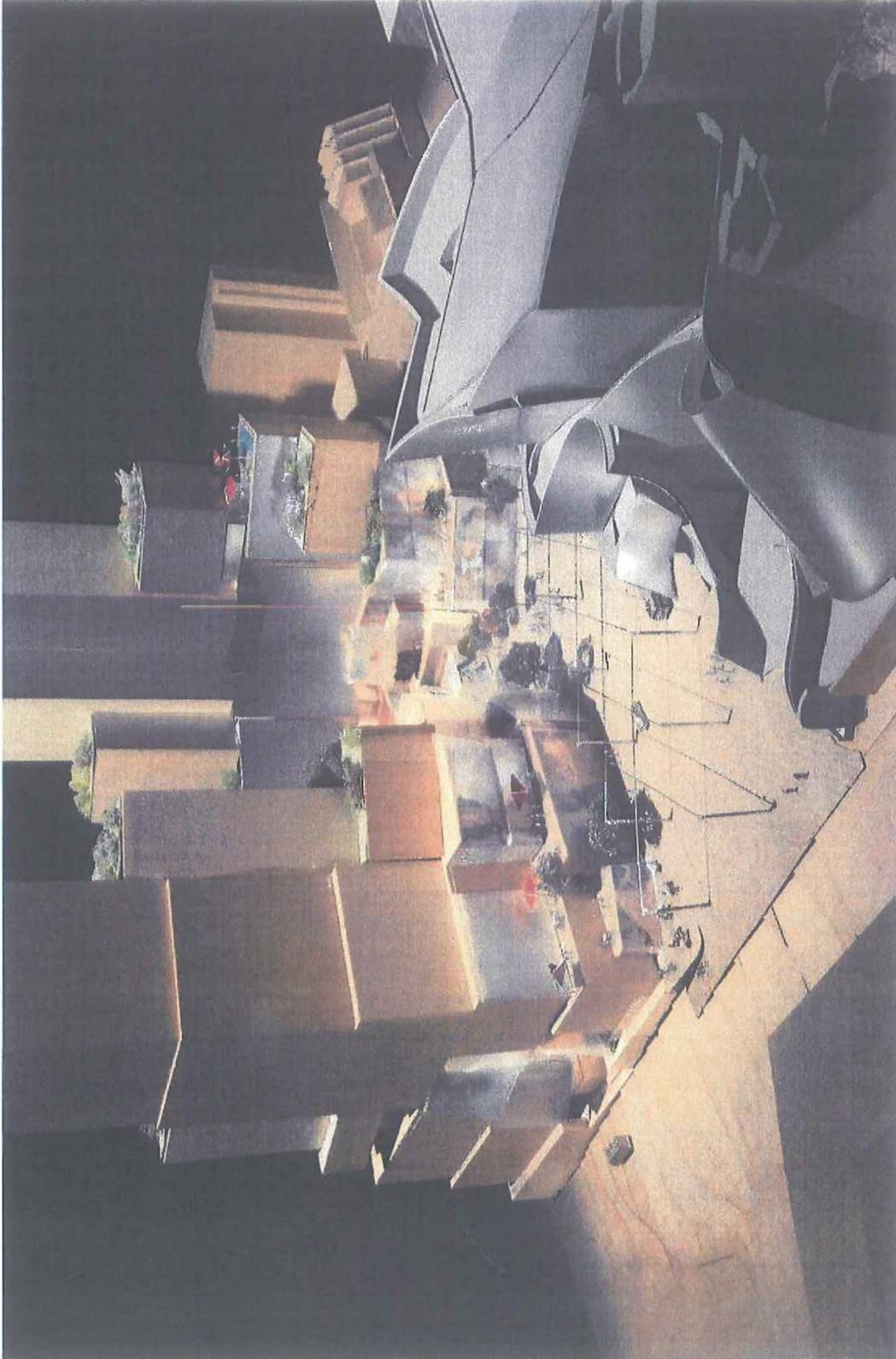
LEVEL 03 PLAN



LEVEL 04 PLAN



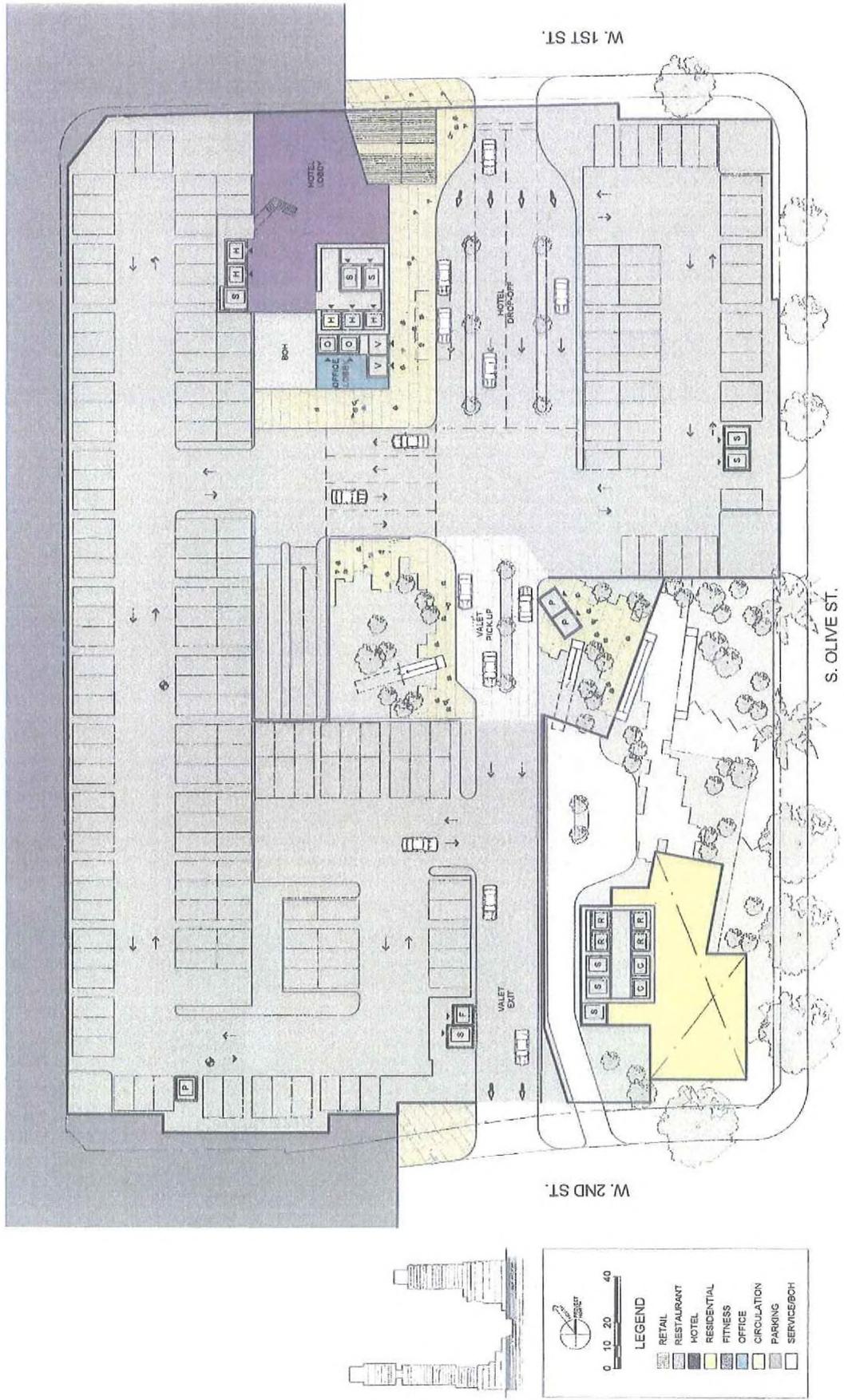
LEVEL 05 PLAN



VIEW OF GRAND AVE PLAZA  
AND 1ST STREET ENTRY

Grand Avenue Project - Parcel Q  
Master Plan and Concept Design  
November 25, 2013

CONNECTION TO OLIVE ST.



Grand Avenue Project - Parcel Q  
 Master Plan and Concept Design  
 November 25, 2013

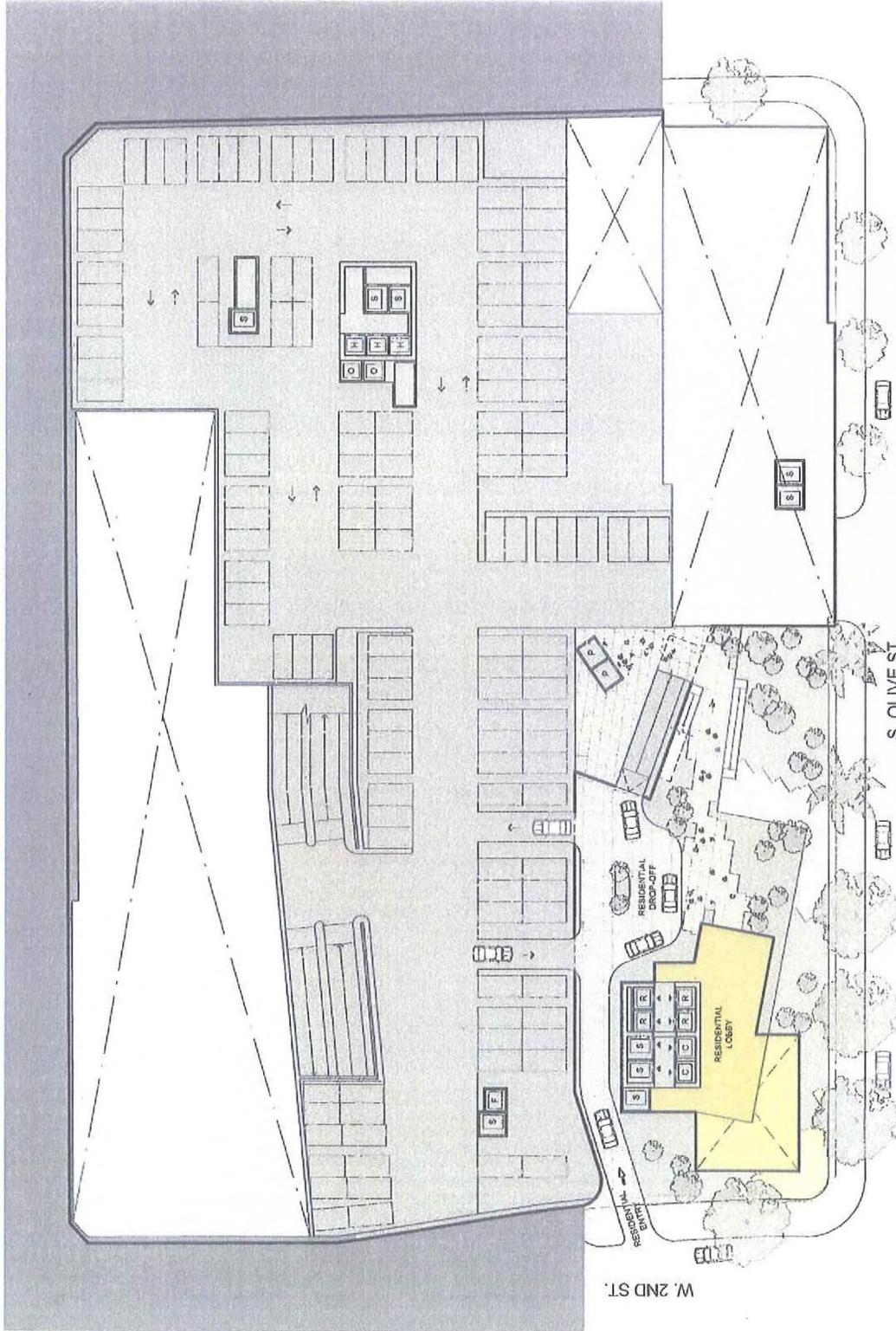
MEZZANINE 2 LEVEL  
 (ONE LEVEL BELOW GRAND AVE.)

**RELATED**  
 © 2013 Gehry Partners, LLP

0 10 20 40

**LEGEND**

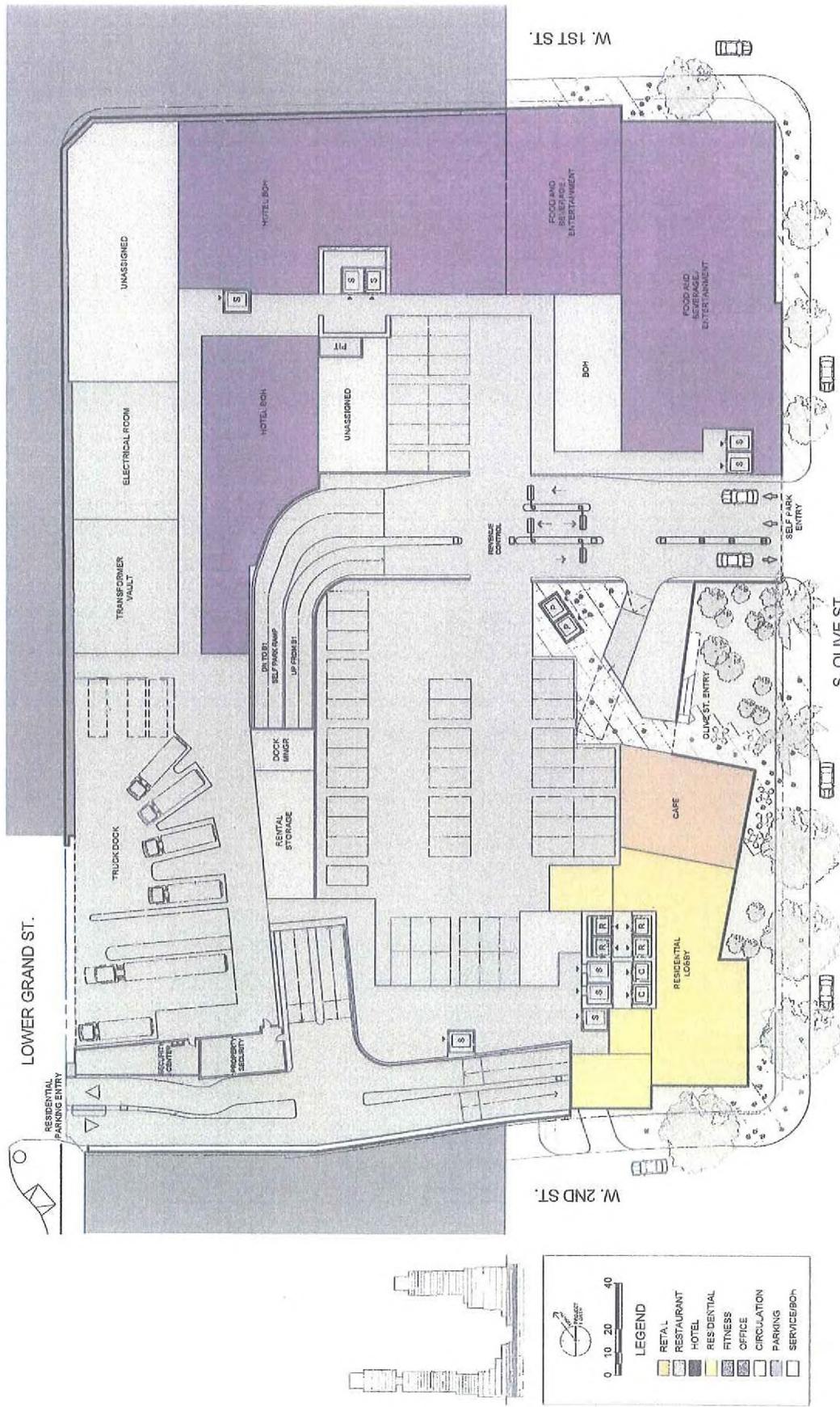
- RETAIL
- RESTAURANT
- HOTEL
- RESIDENTIAL
- FITNESS
- OFFICE
- CIRCULATION
- PARKING
- SERVICE/BOH



Grand Avenue Project - Parcel Q  
 Master Plan and Concept Design  
 November 25, 2013

MEZZANINE 1 LEVEL  
 (TWO LEVELS BELOW GRAND AVE.)

**RELATED**  
 © 2013 Gehry Partners, LLP



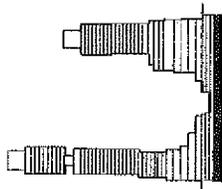
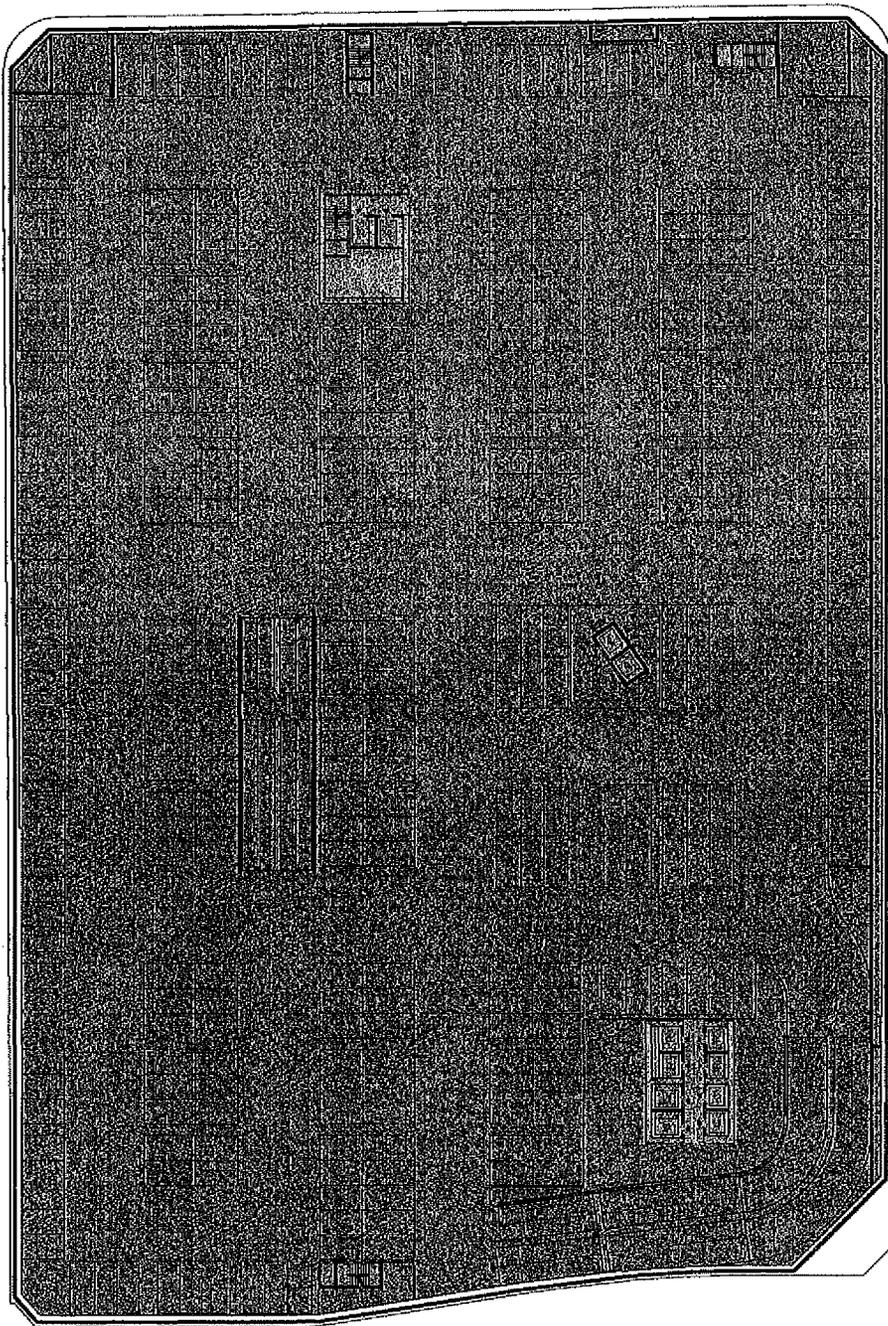
Grand Avenue Project - Parcel Q  
 Master Plan and Concept Design  
 November 25, 2013

LEVEL 0 - OLIVE ST.

**RELATED**  
 © 2013 Gehry Partners, LLP



VIEW FROM OLIVE STREET PLAZA



0 10 20 40

LEGEND

- RETAIL
- RESTAURANT
- HOTEL
- RESIDENTIAL
- FITNESS
- OFFICE
- CIRCULATION
- PARKING
- SERVICE/BOH

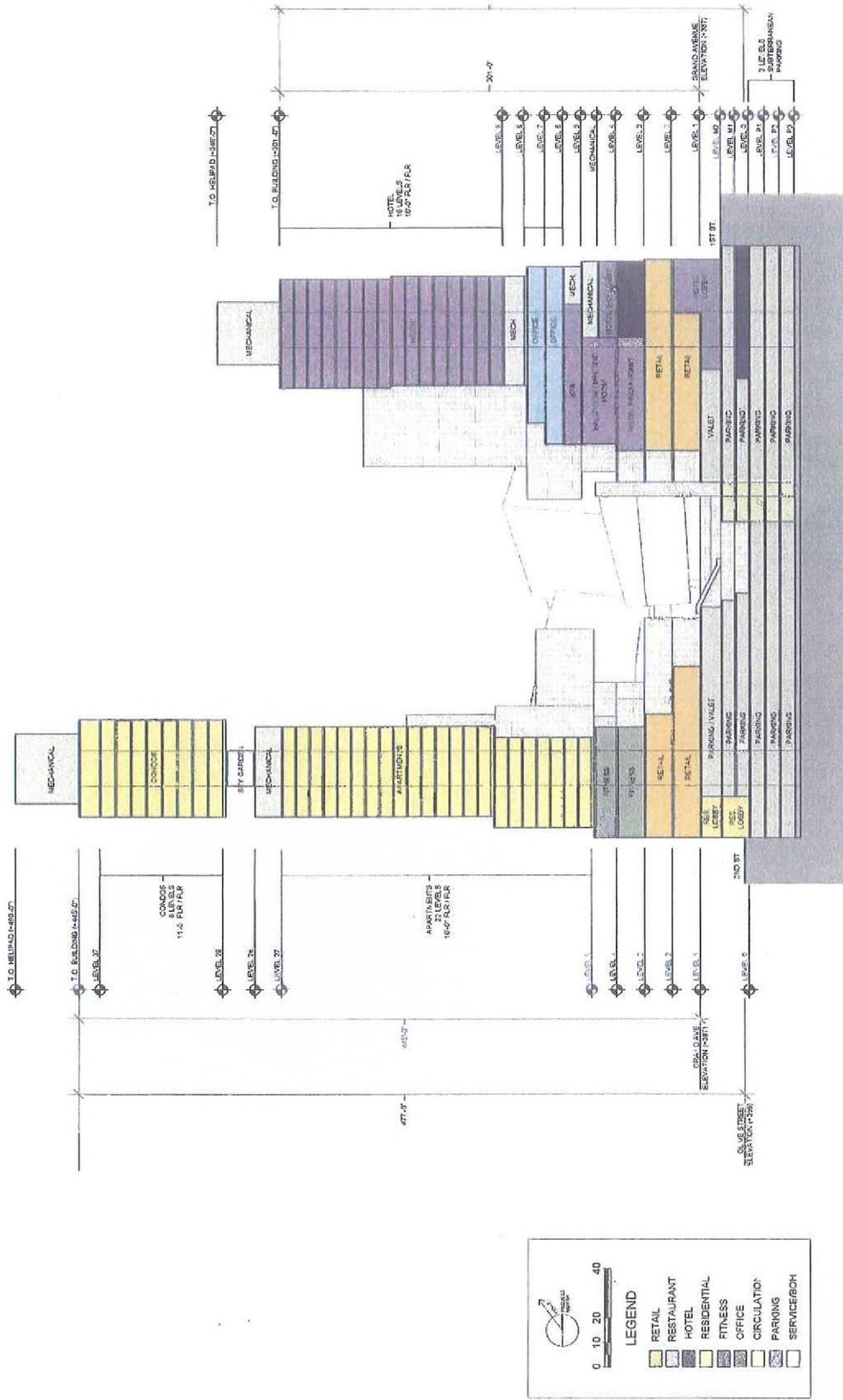
**RELATED**

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PARKING LEVELS P1-P3

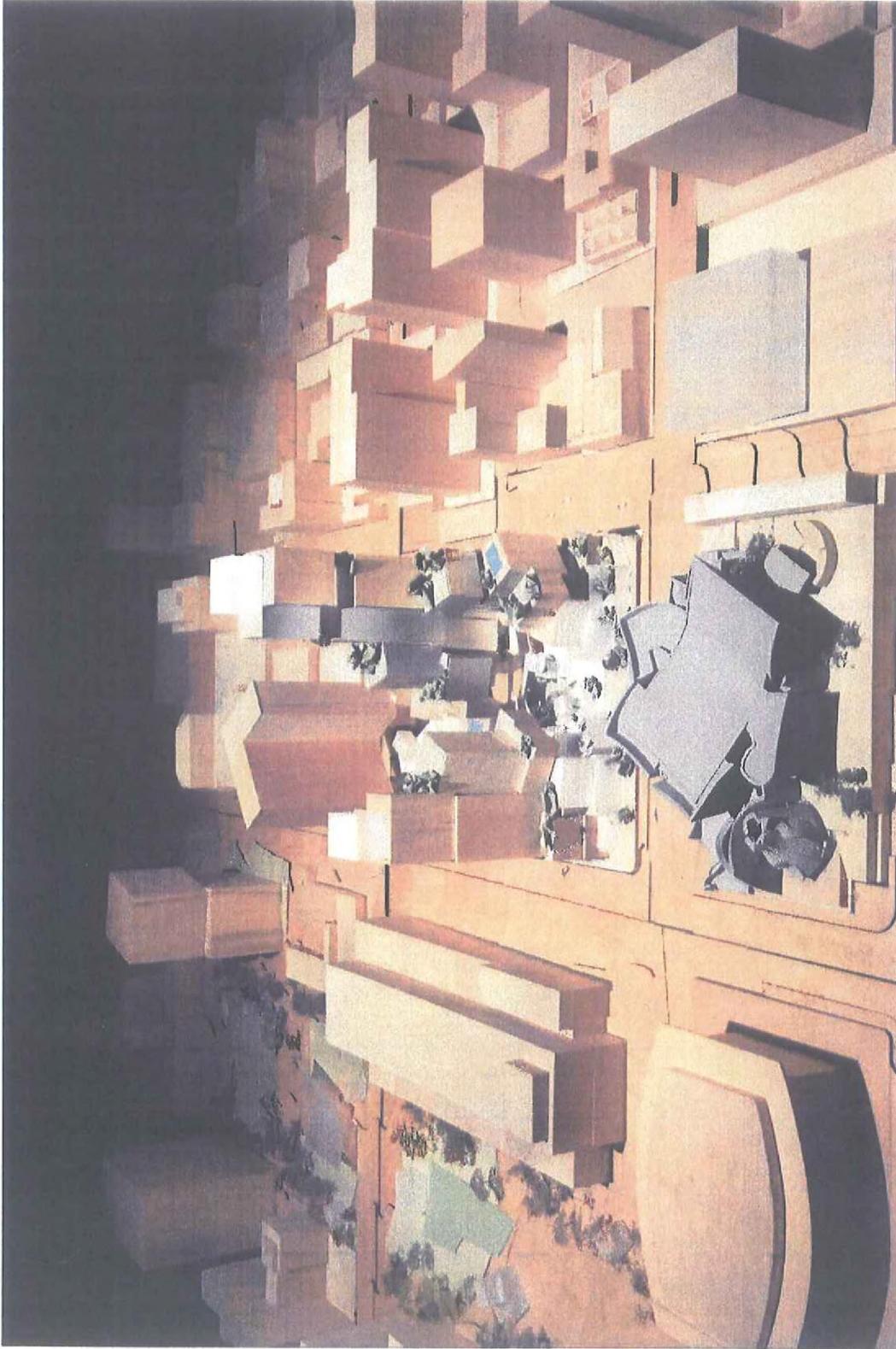
Grand Avenue Project - Parcel Q  
 Master Plan and Concept Design  
 November 25, 2013

HOTEL & RESIDENTIAL CONCEPT



Grand Avenue Project - Parcel Q  
 Master Plan and Concept Design  
 November 25, 2013

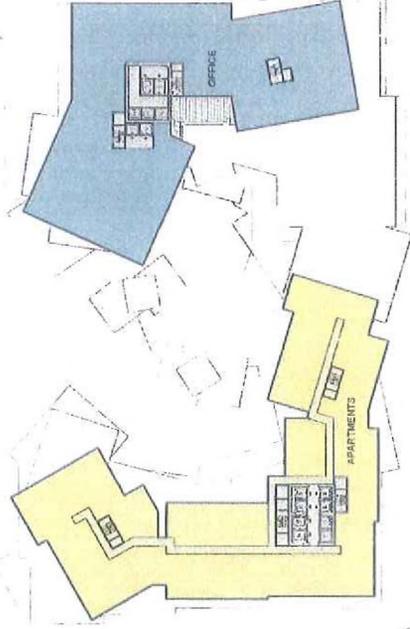
**NORTH-SOUTH SITE SECTION**  
 (LOOKING TOWARD DISNEY CONCERT HALL)



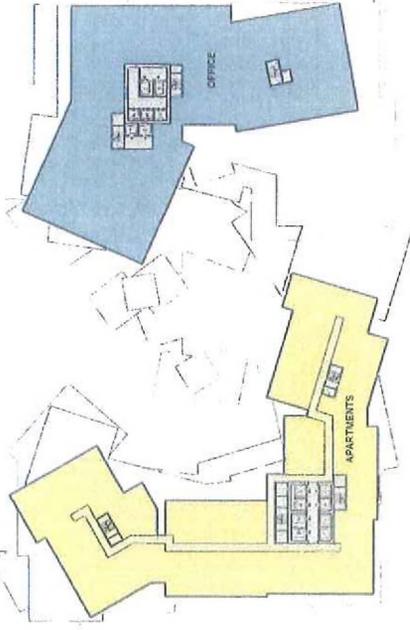
VIEW FROM WEST

Grand Avenue Project - Parcel Q  
Master Plan and Concept Design  
November 25, 2013

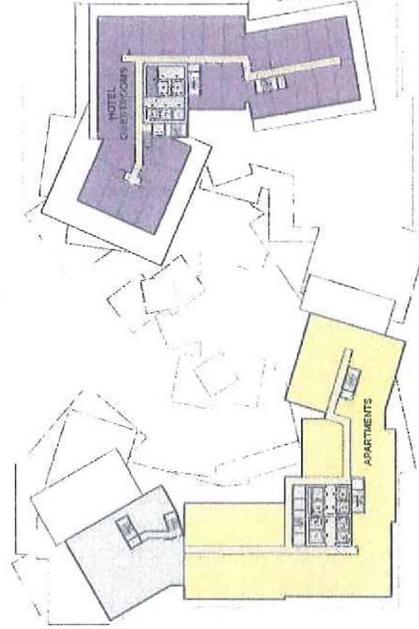
**RELATED**  
© 2013 Gehry Partners, LLP



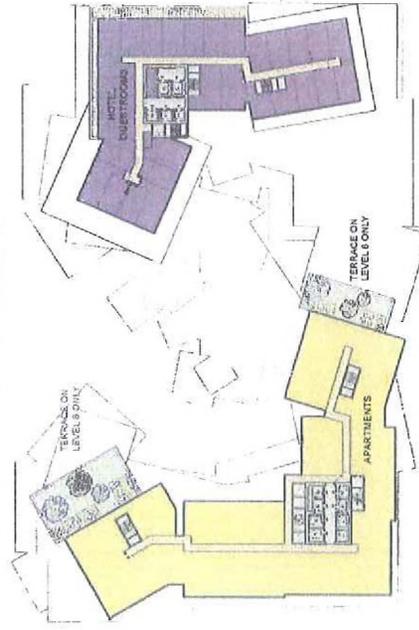
LEVEL 07 PLAN



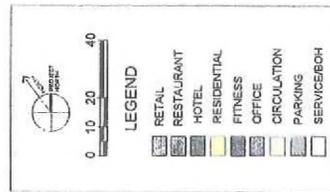
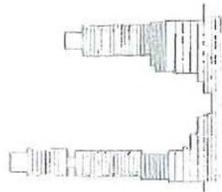
LEVEL 06 PLAN

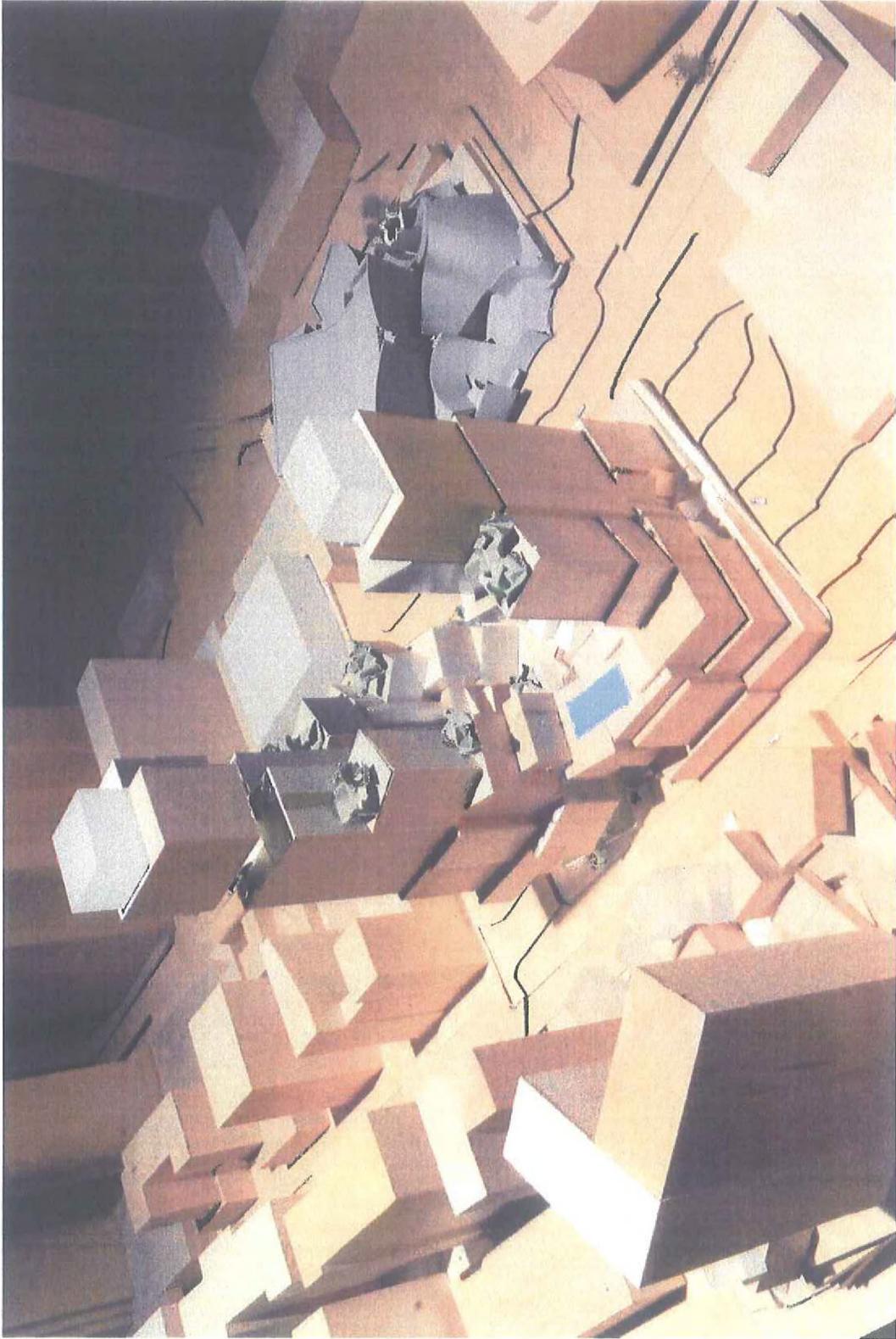


LEVEL 11 PLAN



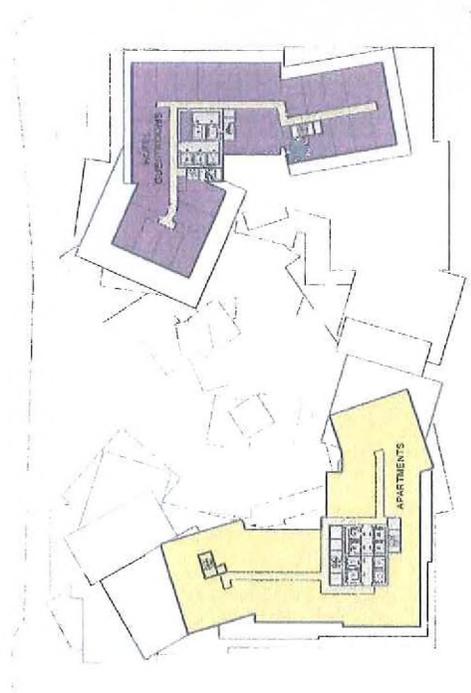
LEVEL 08-10 PLANS



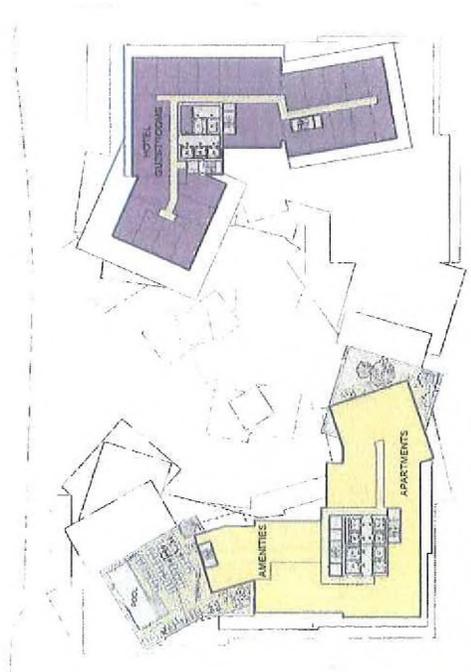


VIEW FROM NORTHEAST

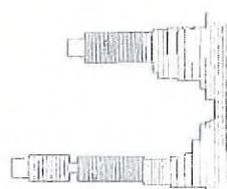
Grand Avenue Project - Parcel Q  
Master Plan and Concept Design  
November 25, 2013



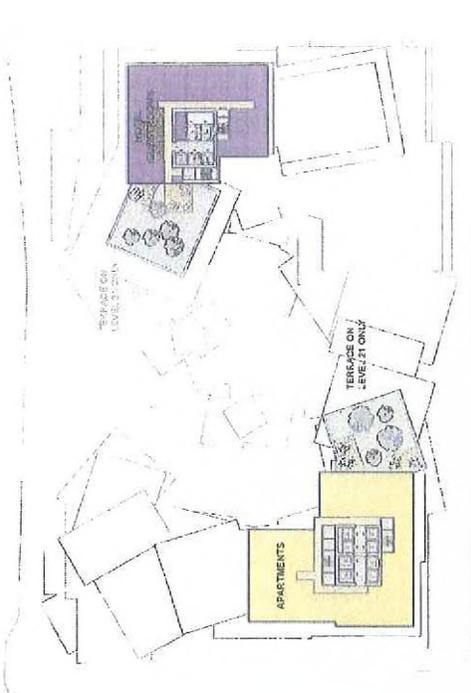
LEVEL 12 PLAN



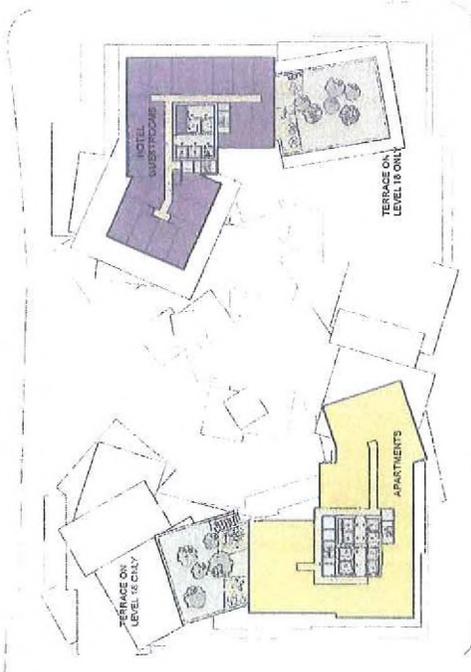
LEVEL 13-17 PLANS



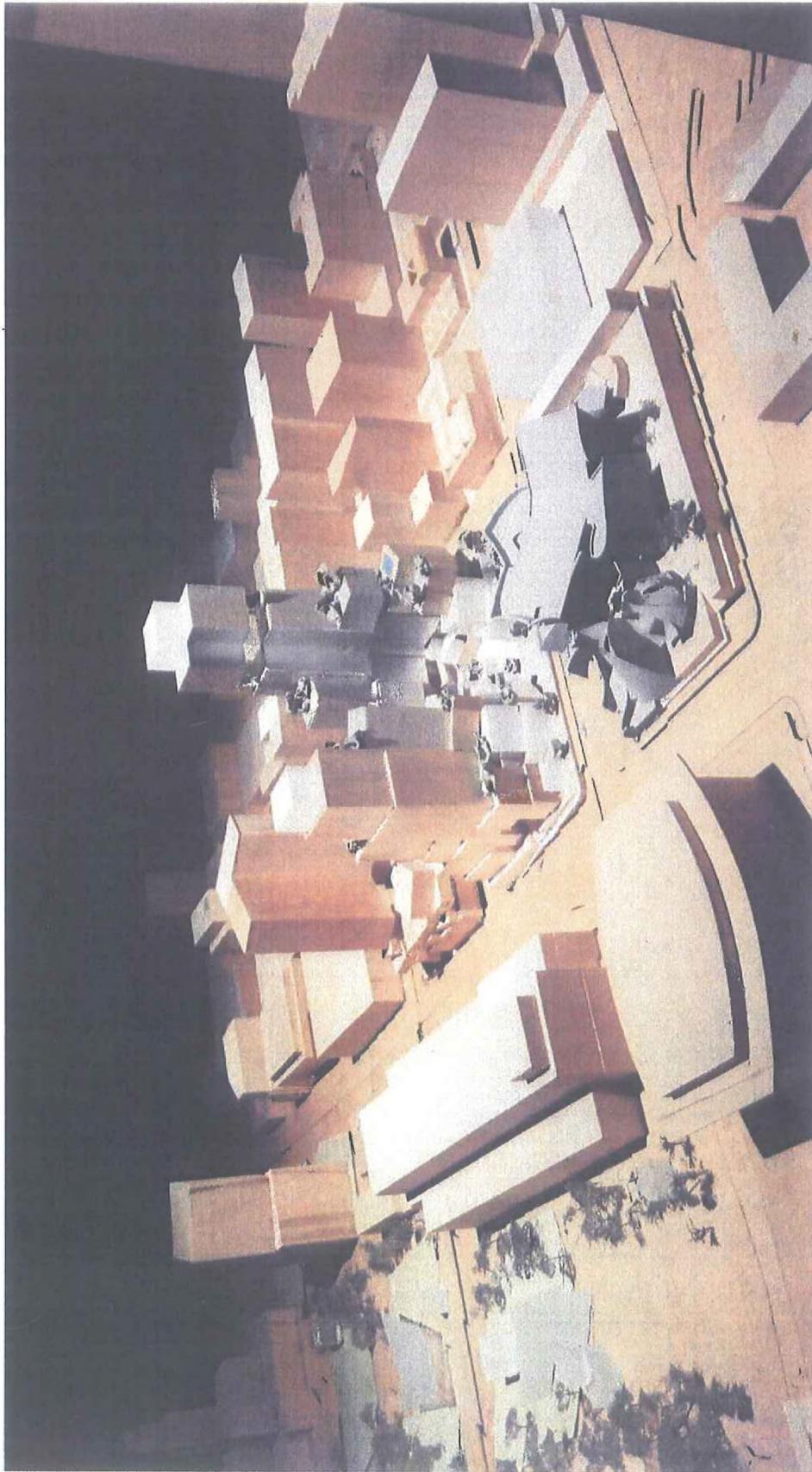
LEGEND	
[Yellow Box]	RETAIL
[Purple Box]	RESTAURANT
[Dark Purple Box]	HOTEL
[Light Purple Box]	RESIDENTIAL
[Green Box]	FITNESS
[Blue Box]	OFFICE
[Light Green Box]	CIRCULATION
[Grey Box]	PARKING
[White Box]	SERVICE/BOH



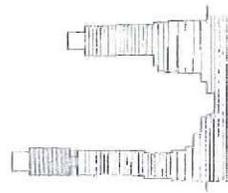
LEVEL 18-20 PLANS



LEVEL 21-27 PLANS



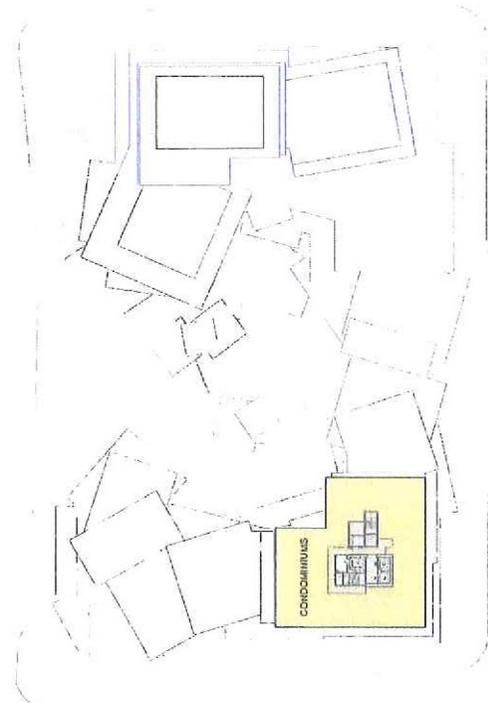
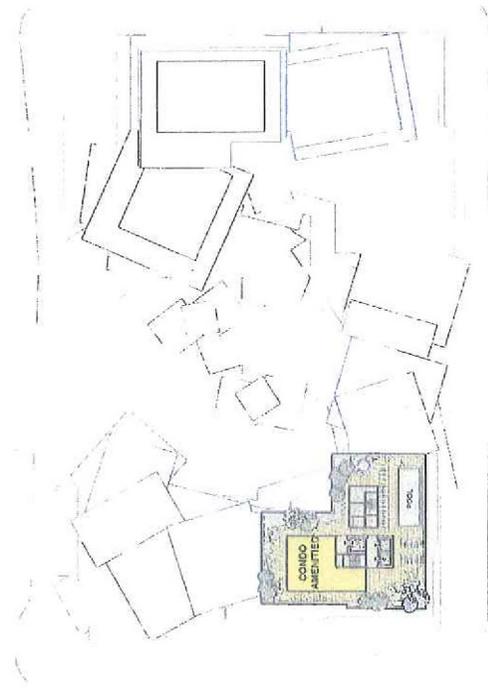
VIEW FROM NORTHWEST



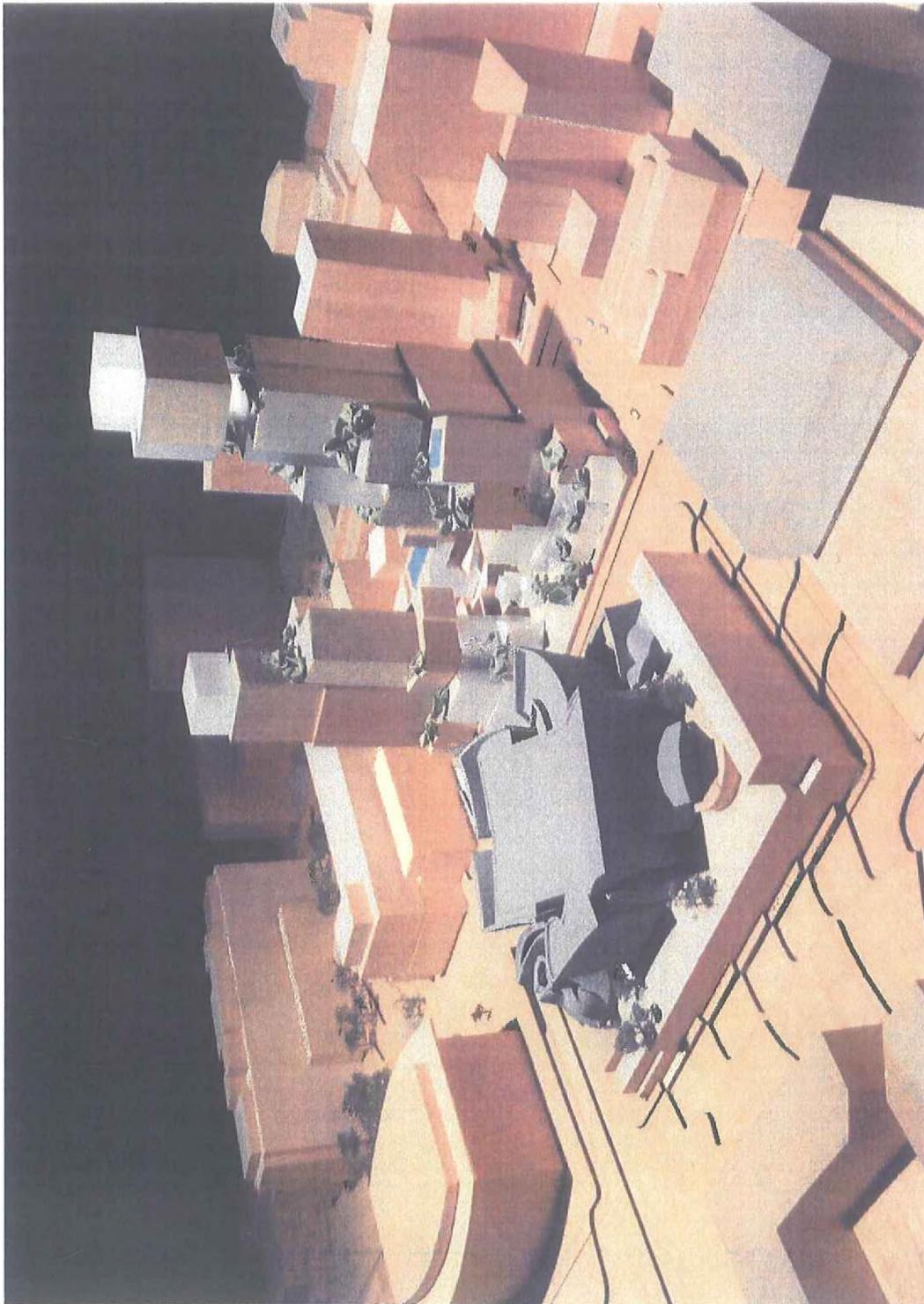
**LEGEND**

0 10 20 40

[Symbol]	RETAIL
[Symbol]	RESTAURANT
[Symbol]	HOTEL
[Symbol]	RESIDENTIAL
[Symbol]	FITNESS
[Symbol]	OFFICE
[Symbol]	CIRCULATION
[Symbol]	PARKING
[Symbol]	SERVICE@OH



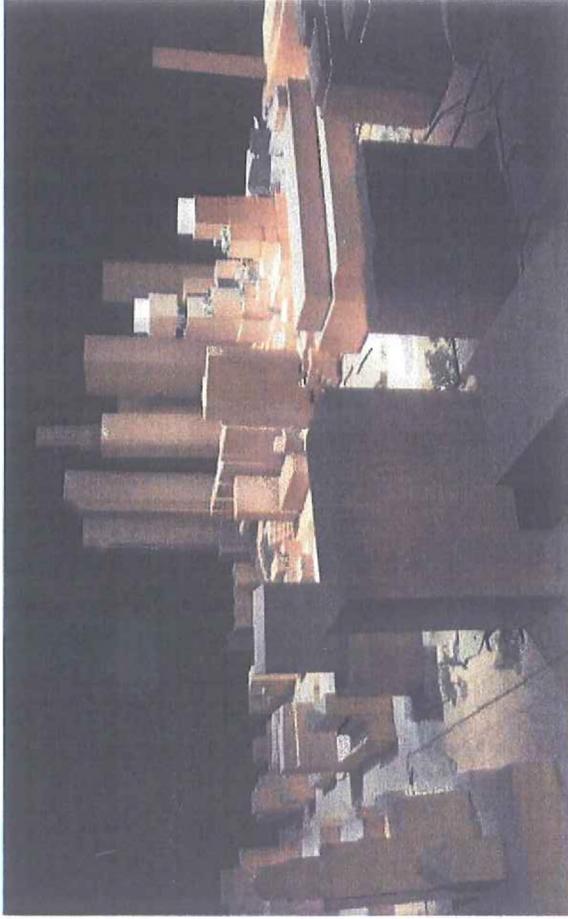
Grand Avenue Project - Parcel C  
Master Plan and Concept Design  
November 25, 2013



VIEW FROM SOUTHWEST

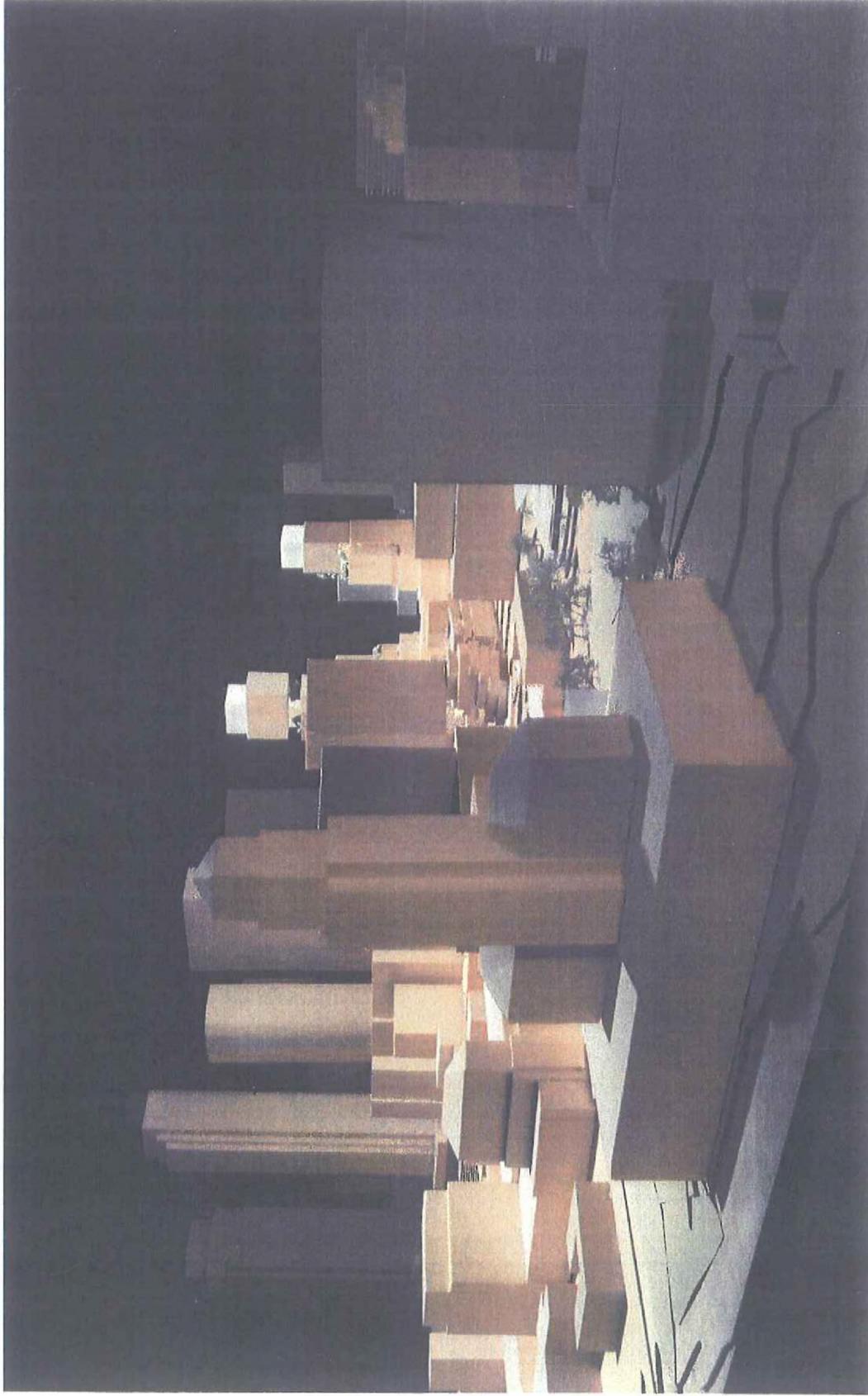
Grand Avenue Project - Parcel Q  
Master Plan and Concept Design  
November 25, 2013

	Tower 1	Tower 2	Total
Number of Floors from Grand Ave Height from Grand Ave	24 301 ft	37 445 ft	
Approximate Gross Building Area (above Grand Ave) (incl mech flrs)	396,986 sf	599,218 sf	996,204 sf
<b>Program Areas</b>			
Net Hotel Room Area	141,136 sf		141,136 sf
Gross Other Hotel Areas	76,783 sf		76,783 sf
Number Hotel Rooms	300		
Net Condo Area		80,587 sf	80,587 sf
Number of Condominium Units		70	
Net Apartment Area		291,471 sf	291,471 sf
Number of Apartments		380	
Market Rate		290	
Affordable		90	
Gross Retail / Food / Beverage	103,337 sf	105,653 sf	208,990 sf
Gross Office Area	46,567		46,567 sf
Number of Parking Spaces			1,350



VIEW OF BUNKER HILL FROM NORTHEAST

**PROJECT AREA SUMMARY**



Grand Avenue Project - Parcel Q  
Master Plan and Concept Design  
November 25, 2013

VIEW FROM CITY HALL

EXHIBIT "B"

PARCEL Q SCHEDULE OF PERFORMANCE

<b><u>THE FOLLOWING THREE (3) REQUIREMENTS APPLY TO ALL PHASES:</u></b>	
<u>Requirement</u>	<u>Deadline</u>
<u>CRA/LA Preconstruction Meeting.</u> Developer shall meet with the CRA/LA Office of Contract Compliance as required by Section 703(3) of the Original DDA.	[ ]
<u>Submission – Community Outreach Plan.</u> Developer shall submit the Community Outreach Plan required by Section 703(3) of the Original DDA to the CRA/LA Chief Executive Officer or his/her designee.	[ ]
<u>Review and Approval – Community Outreach Plan.</u> The CRA/LA shall approve or disapprove the Community Outreach Plan.	[ ]

<u>Requirement</u>	<u>Deadline</u>
Developer shall submit to the Authority a pro forma budget for Phase I.	March 31, 2014
Developer shall submit to the Authority a Schedule of Performance for Phase I substantially as this <u>Exhibit "B"</u> with the blanks completed, which shall be subject to the Authority's approval prior to incorporation into the Fourth Amendment as the Schedule of Performance for Phase I; provided that in no event shall the fixed dates currently in this <u>Exhibit "B"</u> be modified.	March 31, 2014
Submit to Authority's counsel, Gilchrist & Rutter, for confidential review in accordance with Section 904(ii) of the Original DDA, a copy of an executed preliminary venture agreement and management agreement with respect to Phase I between Developer and SBE Hotel Group, LLC, or another operator of a First Class Hotel (as defined in Section	March 31, 2014

110 of the Original DDA), which operator may be approved or disapproved by the Authority as provided in the DDA.	
The City shall preliminarily approve of the Parking and Hotel Tax Rebates (as defined in Section 101(7) of the Original DDA) in a Memorandum of Understanding between the City and Developer, and the City will direct its staff to prepare the necessary documents (and enabling ordinance if required) to effect such Parking and Hotel Tax Rebates, subject to the City's right to further approve such implementing documents.	July 31, 2014
Developer to obtain letters of interest for Phase I financing	[ ]
<u>Submission – Schematic Design Drawings.</u> Developer shall prepare and submit to Authority and the County Board its Schematic Design Drawings for Phase I.	[ ]
<u>Review and Approval – Schematic Design Drawings.</u> Authority and the County Board shall review and approve or disapprove the Schematic Design Drawings.	[ ]
Developer to obtain and provide to Authority refreshed letters of interest for financing for Phase I.	[ ]
Developer and Authority to meet and confer regarding Public Space Improvements per Section 4.4(b) of the Fourth Amendment to DDA.	[ ]
<u>Submission – Design Development Drawings and Preliminary Landscape Plans.</u> Developer shall prepare and submit to Authority Design Development Drawings and Preliminary Landscape Plans for Phase I.	[ ]
<u>Review and Approval- Design Development Drawings.</u> Authority shall review and approve the Design Development Drawings and Preliminary Landscape Plans.	[ ]

<p><u>Payment of Extension Fee.</u></p>	<p>On the earlier to occur of (i) submission of 80% Construction Documents to the Authority, or (ii) September 30, 2015.</p>
<p><u>Submission – 80% Construction Documents and Final Landscape Plans.</u> Developer shall submit 80% Construction Documents (80% complete set of plans and specifications sufficient for issuance of building permits) and Final Landscape Plans for Phase I</p>	<p>[ _____ ]</p>
<p><u>Review and Approval – 80% Construction Documents and Landscape Plans.</u></p> <p>Authority shall review and approve the 80% Construction Documents and Landscape Plans as provided in Section 405 of the DDA.</p> <p>The parties acknowledge that Developer may proceed with demolition, foundation and grading activities in accordance with City-issued permits, prior to the approval by Authority of 80% Construction Documents for Phase I.</p>	<p>[ _____ ]</p>
<p><u>Confirmation of Financing Plan.</u> Authority and Developer to meet to confirm sources of financing pursuant.</p>	<p>No later than _____</p>
<p>Developer to obtain executed term sheets for financing for Phase I</p>	<p>[ _____ ]</p>
<p><u>Orientation.</u> Developer shall coordinate a preconstruction orientation meeting with Developer's general contractors and Authority.</p>	<p>Prior to commencement of grading activities in connection with Phase I.</p>
<p><u>Construction Sign.</u> Developer shall cause to be erected on the Phase I Parcel a construction sign describing the development and the participants in accordance with Authority specifications.</p>	<p>No later than thirty (30) days prior to start of construction.</p>
<p><u>Submission – Construction Budget Based on</u></p>	<p>[ _____ ].</p>

<p><u>80% Construction Documents.</u> Developer shall provide Authority with a proposed construction budget for Phase I based on the 80% Construction Documents.</p>	
<p><u>Review and Approval – Construction Budget Based on 80% Construction Documents.</u> Authority shall approve or disapprove, as set forth in Section 408(1) of the Original DDA, the proposed construction budget for Phase I based on the 80% Construction Documents. Upon approval by Authority, such proposed budget shall constitute the “Phase I Final Construction Budget” with respect to Phase I as contemplated by Section 408(1) of the Original DDA.</p>	[ ]
<p><u>Submission – Final Construction Documents.</u> Developer shall submit Final Construction Documents for the Phase I Improvements.</p>	
<p><u>Review and Approval – Final Construction Documents.</u> Authority shall review and approve the Final Construction Documents.</p>	[ ]
<p><u>Commencement of Construction.</u> The Commencement of Construction of the Phase I Improvements shall have occurred.</p>	December 31, 2015
<p><u>Completion of Construction.</u> Developer shall submit certificate of substantial completion from Developer's Architect, with respect to the Phase I Improvements.</p>	September 30, 2019
<p><u>Final Inspection.</u> Authority shall conduct a final inspection of all improvements.</p>	[ ].
<p><u>Issuance of Authority Certificate (or Partial Certificate) of Completion.</u> Authority shall issue in recordable form the Certificate of Completion (or Partial Certificate of Completion, as appropriate).</p>	[ ].
<p><u>Architect's Assignment.</u> Developer shall execute and deliver the Architect's</p>	[ ].

Assignment with respect to Phase I to the Authority and the County.

Notwithstanding the foregoing, Developer shall not be in breach of its obligations hereunder if Developer is unable to comply with the provisions of this Paragraph due to Developer's contractual obligations with Developer's design architect for Phase I.

EXHIBIT "C"

INTENTIONALLY OMITTED

EXHIBIT "D"

AMENDMENT TO PARTS II, IIA, AND IIIF OF SCOPE OF DEVELOPMENT

I. Part II. of the Scope of Development is hereby amended and restated in its entirety to provide as follows:

"II. GENERAL DESCRIPTION

The goal of the Project is to provide an economically viable, architecturally distinguished, community-oriented, regional destination, mixed-use development with welcoming public open spaces that will create, define, and celebrate the Civic and Cultural Center as a regional destination in downtown Los Angeles. The Project aims to accomplish this goal through the construction of up to 3.2 million square feet of mixed-use development on non-contiguous parcels, and possibly improvements to the streetscape along Grand Avenue from Fifth Street to Cesar E. Chavez Avenue.

The Project incorporates commercial (retail, office and hotel), residential and museum uses with an emphasis on creating attractive and inviting outdoor spaces, enhancing connections to adjacent neighborhoods and view corridors highlighting Disney Hall, Cathedral of Our Lady of The Angels, and City Hall. The five-phased development will include affordable and market-rate housing with multi-level retail and entertainment spaces built around outdoor plazas and public spaces. The approved Conceptual Plan for the Project is illustrated in Attachments 1, 2 and 3 hereto, and has been updated by subsequent approvals affecting Parcels L, M and the Civic Park.

The Project consists of two development options, referred to as the "Project with Office Building Option" and the "Project with Additional Residential Development Option." Under the Project with Office Building Option, the total development program includes up to 337,000 square feet of retail, a hotel (at least 4-stars) of up to 250 hotel rooms with approximately 15,000 square feet of meeting space, up to 1,990 market-rate and affordable residential units (1,602 market rate, 388 affordable) and approximately 681,000 square feet of office space, which may be a County Office Building if the County exercises its option to relocate the Hall of Administration under Section 213 of this Agreement. However, should the County not elect to locate a new Hall of Administration within the Project, and if Developer does not elect to construct office space in Phase III of the Project, the office component would be replaced under the Project with Additional Residential Development Option with up to 600 additional

residential units, 20 percent of which (up to 120 units) would be provided as affordable housing. In this scenario, the total development proposed for the five parcels would include up to 2,602 residential units, 20 percent of which (up to 521 units) would be provided as affordable housing. It should be noted that these maximum development scenarios assume that the Developer Parcel (Parcel W-1 which is currently privately-owned) will be purchased and ultimately included in the Project.

[Note: following Authority approval of revisions of Section 2 of this Exhibit as to Parcel Q, any necessary conforming changes should be made to this Section 1 including the table below.]

MASTER PLAN				
Projected Program	Project with Office Building Option		Project with Additional Residential Development Option	
	Max. Sq. Ft.	Max. Units/Spaces	Max. Sq. Ft.	Max. Units/Spaces
Hotel	210,000*	250	210,000*	250
Retail	337,000	N/A	337,000	N/A
Office	681,000	N/A	0	N/A
Residential	2,088,063	1,990	2,769,063	2,590
Parking		4,855	N/A	5,075
	<b>3,316,063</b>		<b>3,316,063</b>	
Civic Park	16 acres		16 acres	

\* Hotel floor area includes approximately 15,000 square feet of meeting space.

References to square feet of development in this Scope of Development shall refer to Floor Area as defined in this Agreement.

SUMMARY OF MASTER PLAN RESIDENTIAL UNITS		
	Project with Office Building Option	Project with Additional Residential Development Option
	Max. Units	Max. Units
Market Rate	1,602	2,082
Affordable Housing	388	508
<b>Total</b>	<b>1,990</b>	<b>2,590</b>

The Project includes an Equivalency Program that would allow the composition of on-site development to be modified to respond to future needs in a manner that does not increase the Project's impacts on the environment. The Equivalency Program provides flexibility for modifications to land uses and square footages within the Parcels, subject to City and other governmental regulatory approval. Within this framework, land uses can be exchanged for certain other permitted land uses so long as the limitations of the Equivalency Program are satisfied and no additional environmental impacts occur. All permitted Project land use increases can be exchanged for corresponding decreases of other land uses under the proposed Equivalency Program (See Attachment 4 hereto). In addition, Developer may allocate density on the Development Site between Phases I, IIA, IIB, IIC, and III, up to the Maximum Development Site Floor Area of 3,200,000 Sq. Ft. and shall be allowed to shift density between uses prior to constructing a Phase so long as Developer builds the minimum Floor Area in each Phase, as shown in Exhibit "R", and does not exceed the Maximum Development Site Floor Area in total; the project description in the EIR; or the City's maximum permitted FAR.

If the County and Developer elect to not pursue the Project with Office Building Option, the Developer is entitled under the Equivalency Program to elect to convert the office space under the Project with Office Building Option to retail space, or a combination of retail and residential space using the office to retail conversion factor, and/or the office to residential conversion factor, as provided in the chart (Attachment 4 hereto) illustrating the Equivalency Program. As an example, should the County not elect to pursue the Project with Office Building Option, the 681,000 square feet of office use on Parcel W-2 could be replaced using the conversion factor of 0.316 to 215,196 square feet of retail square footage.

The Project will include the following development in five separate phases:"

2. Part IIA. of the Scope of Development is hereby amended and restated in its entirety to provide as follows:

"A. Phase I (Parcel Q)

The first Phase will be built on Bunker Hill Redevelopment Parcel Q, an approximately 140,263 square foot parcel known as Lot 1 of Tract No. 28761, Bk. 926 Pgs. 5 through 8, comprising a rectangular area generally bounded by Grand Avenue, First Street, Olive Street, and Upper Second Street, directly east across the street from the Walt Disney Concert Hall. Phase I will comprise approximately 1.0 million square feet of retail, hotel, and residential uses and consist of two high-rise hotel/residential towers and low-rise structures containing restaurant, retail and banquet/meeting room space. Tower 1, a distinctive high rise tower at the corner of First and Grand, will house a hotel (at least 4-stars) of up to 300 rooms, meeting space and ancillary hotel amenities. At Second and Olive Streets, a residential tower (Tower 2) will combine approximately 290 market rate apartments with 90 rental Affordable Housing Units and approximately 70 market rate condominiums on the upper floors. Recreational amenities such as pools, spas and exercise rooms would be available to residents and hotel guests. Altogether, Phase I will contain up to 450 residential units, 20% of which will be rental Affordable Housing Units.

These two towers will flank plazas and courtyards with outdoor seating and dining areas that will ultimately connect Grand Avenue to Hill Street, and may include approximately 200,000 square feet of dining and entertainment venues, a food market, a health club, restaurants, several signature retailers and a series of small shops. Most structures will be designed with outdoor dining areas, terraces and roof decks that provide views to the Walt Disney Concert Hall and surrounding areas. The site, which slopes quickly downhill from Grand Avenue to the east, will allow for a mixture of entertainment, dining and shopping uses to be spread over several integrated levels as well as create activity along all street edges. Phase I of the Project will provide for approximately 1,350 parking spaces.

PHASE I - PARCEL Q		
Projected Program	Example SF	Example Units/Spaces
Hotel - Tower 1	217,919	300
Retail/Food/Beverage		
<i>Tower 1</i>	103,337	N/A
<i>Tower 2</i>	105,653	N/A
<u>Retail Subtotal</u>	208,990	N/A
Residential - Tower 2		
<i>Market Rate - Condos</i>	80,587	70
<i>Market Rate - Apartments</i>	291,471*	290
<i>Affordable - Apartments</i>		90
<u>Residential Subtotal</u>	372,058	450
Office - Tower 1	46,567	N/A
Parking**		1,350
<b>Phase I Totals</b>	<b>845,534</b>	

\* Total square footage includes both market rate and affordable apartments

\*\* Approximate number of parking spaces

Additional components of the Project to be constructed by Developer concurrently with Phase I include a 16-acre Civic Park and the installation of Grand Avenue Streetscape and Public Space Improvements. The design and development of the Civic Park are governed by the Civic Park Design Agreement and the Civic Park Development Agreement. The proposed Civic Park would revitalize, expand upon and activate the existing Civic Center Mall through a new design that would be functional and more easily accessible to the public. The intention of the redesigned park is to create a great civic gathering place for small to large-scale events as well as for day-to-day activities. The Civic Park is envisioned as several distinct areas that will be landscaped and programmed to serve a variety of uses. On the west end across from the Music Center from Grand Avenue to Hill Street, the Civic Park will be programmed with cultural, arts, and entertainment events. The existing garage ramps will be redesigned to allow a grand terrace to connect Grand Avenue to a new great lawn. The center of the Civic Park, from Hill Street to Broadway, will feature a colorful garden area with both open and intimate spaces. The east end, from Broadway to Spring Street, will be designed to host civic celebrations and community activities and complement the western entrance to City Hall. Surface parking currently existing on the easternmost area of the park would be removed and parking would be re-established on the lower levels of parking structure below the

Court of Flags. The Civic Park as completed to date opened in the summer of 2012."

3. Part III F. (Building Setbacks) of the Scope of Development is hereby amended by the addition of the following sentence at the end thereof:

"Notwithstanding the foregoing, buildings on Phase IIC shall not be constructed within five feet of the museum constructed on Parcel L."

**EXHIBIT "E"**  
**Intentionally Omitted**

EXHIBIT "F"  
DDA DESIGN GUIDELINES

III. DESIGN GUIDELINES

The following design guidelines, the satisfaction of which will be subject to CRA, or County, as appropriate, approval, shall apply to the Project; provided, however, that such guidelines will not apply to the Civic Park, which is subject to a separate design and development process pursuant to the Civic Park Design Agreement and the Civic Park Development Agreement, and such guidelines will not apply to the County Office Building.

A. Ground Floor/Street Level Uses:

Ground floor design and uses, along with the primary building entrances, must contribute to the creation and reinforcement of street activity and identity along Upper Grand Avenue, Hope Street, First Street, Olive Street and Hill Street, and recognize and appropriately incorporate the existing access to the Metro Rail Red Line at First and Hill Streets. With the exception of Parcel W-2, primary pedestrian entrances and orientation of the Development must be along the Grand Avenue frontage, and treated as the "front door" of the Project, with appropriate entry plazas and landscaping located at street level. Appropriate secondary entrances and orientation of the Development must also be provided along First Street, Hope Street and Olive Street.

Activation of the street frontage and interaction with street activity is a major design requirement. This may be achieved by incorporating active retail and/or public spaces into the building design, and with appropriate retail frontage along Grand Avenue and portions of First Street. Activity generating uses such as retail shops, restaurants, food market, jazz clubs, movie theaters, bookstores, residential building entries and the like are strongly encouraged. Community-serving uses such as newsstands, flower shops, gift shops, card shops, food markets,

drug stores and dry cleaners are also encouraged at the ground level. Professional offices are permitted above the first floors of buildings.

All publicly accessible space, including sidewalks, building lobbies, gardens and plaza areas, must be attractively landscaped, and designed and finished with high quality materials. The design of Parcels L and M-2 must provide for a connection between the two Parcels over GTK Way at the Upper Grand Avenue level in order to create a continuous and active streetscape along Upper Grand Avenue.

B. Consistency with Grand Avenue Master Plan:

Development of the Project must be also consistent with the recently completed Grand Avenue Master Plan entitled: "Reimagining Grand Avenue." Concerning the street itself, the plan envisions widened sidewalks, improved landscape, and amenities including lighting, benches, kiosks, newsstands, and other streetscape elements. The Plan promotes a consistent approach to streetscape design along Grand Avenue from Cesar E. Chavez Avenue to Fifth Street. The Plan also envisions the renovation and extension of the County Mall into a new Civic Park for Los Angeles. It is imagined that the Civic Park and the new development on Grand Avenue will attract a regional market and that these two elements will be mutually supportive and collaborative in the scheduling and creation of events, and in attracting the public to Grand Avenue in general.

C. Parking and Access:

The Project must provide Municipal Code required parking on site. For residential, retail and hotel uses, code parking must be provided, including adequate residential guest parking. For commercial office uses, parking should be provided at the rate of not less than one space for every 1,000 square feet of development. Given the proximity of public transit to the Project, reduced parking or shared parking is encouraged, subject to the approval of the City. The City of Los Angeles Department of Building and Safety will calculate the exact number of required parking spaces to be provided. Parking must be provided below the elevation of Upper Grand Avenue. Any visible parking structure is subject to design approval and must be, at a minimum, screened from public view. Parking and loading access points are prohibited along Upper Grand Avenue. They are to be located primarily along GTK Way, Hope Street, Second Street, Olive Street, or Lower Grand Avenue.

D. Building Materials and Finishes:

Building materials, color and design must be of the quality represented by other major developments in the area. Materials selected should provide a sense of permanence and an attractive street level environment. Glazing for street level commercial uses should allow indoor functions to be visible from the outside. The use of highly reflective or mirrored glass material is discouraged.

E. Building Height:

The elevation of the uppermost-occupied floor may not exceed 65 stories above the elevation of Upper Grand Avenue.

F. Building Setbacks:

Buildings located on Parcels L and M-2 must be setback from the existing east curb line along Upper Grand Avenue at least 24 feet. This setback may be used for sidewalk cafes and other street related functions that will provide activity along Upper Grand Avenue. Buildings on Parcel Q must be setback from the existing curb line a minimum of 15 feet. Setbacks on other streets shall be sufficient to assure a minimum sidewalk width, after any curb line adjustments that may be required by the City, as described below in Section L.

G. Building Placement:

Location of tower components on Parcels L and M-2 must be particularly sensitive to their location adjacent to the Walt Disney Concert Hall. Smaller floor plates are encouraged to offer opportunities to stagger the placement of the towers on these parcels, thus achieving appropriate setbacks from the concert hall and, at the same time, maximizing views from residential units.

**H. Building Massing:**

The distribution of building mass on Parcel Q must be carefully considered to respect the prominence of the Walt Disney Concert Hall immediately across the street, as well as the low height of the Colburn School immediately to the south. Ideally, two towers will be built on Parcel Q, allowing for a segregation of office and hotel and/or residential uses as well as a distribution of building mass. Entertainment and retail uses should be located on the lower levels of both towers, and provide easy access to the street level.

**I. Lighting:**

Nighttime lighting of building tops, entrances, and other architectural features is encouraged, except where such lighting would be disruptive to or incompatible with adjacent residential developments. Pedestrian paths and public spaces should be lighted in a manner that results in a natural color spectrum while meeting energy conservation standards while providing a sense of security. Nighttime lighting in public areas must be adequate to meet security needs but should be shielded or diffused and not so harsh as to create unnecessary glare or dissipation into the night sky.

**J. Landscaping:**

All publicly accessible spaces, including sidewalks, lobbies, entrance areas, and residential plaza spaces, shall be attractively landscaped or finished in high-quality materials. Street trees and other landscaping shall be provided within public sidewalks in a manner and quality consistent with City streetscape standards and with the streetscape guidelines proposed in the Grand Avenue Master Plan.

**K. Signage:**

The size, color, lighting, and design of all exterior signs are subject to approval. All signage must conform to the CRA Skyline Signage Policy and the Bunker Hill Design for Development regarding signage.

**L. Sidewalk Standards:**

Developer shall construct and/or improve all sidewalks adjoining the Development Site. Minimum sidewalk widths, setbacks, and build-to lines for all public streets affected by the Project must conform to the Grand Avenue Master Plan and the CRA's Master Plan of Downtown Street Widths. Specifically, minimum sidewalk widths will be 15 feet along Upper Grand Avenue and First Street, Olive, Hill and Hope Streets, and 10 feet along GTK Way. The sidewalk on Second Street, which is not indicated in the Master Plan of Downtown Street Widths, will have a minimum width of 12 feet. Some or all of this 12-foot minimum-width may be a pedestrian arcade. Streetscape elements (paving, lighting, landscape, etc.) must conform to the Grand Avenue Master Plan.

M. Security:

The design of the Project must be responsive to the security needs of tenants, visitors, and patrons. Buildings must incorporate lighting that reinforces entrances, provides a safe level of illumination and is compatible with the design of the building facades.

N. Energy:

The Project must be designed efficiently to minimize the energy required to heat, cool, and light the Project over its lifetime. The Project must comply with the State of California Energy Conservation standards and, to the extent feasible, seek to exceed such standards through the use of state-of-the-art energy-conscious design practices. Additional measures may include, but not be limited to, building placement and orientation, architectural features, open spaces, landscaping, mechanical and operational measures.

O. Solid Waste Management:

The Project must include a coordinated resource conservation and recycling program, designed to reduce the amount of solid waste materials going to local landfills. During Project construction, measures for maximizing the recycling of construction debris must be incorporated, including a layout for source separation of materials and recycling bins and the utilization of contractor(s) specializing in demolition and construction waste management. Trash compactor facilities must be provided in all residential units, where feasible, and recycling bins and chutes must be provided at appropriate locations within the Project to promote the recycling of paper, glass, metal and other recyclable materials.

P. Sustainable Development:

The proposed development must incorporate "sustainable" building methodologies and technologies. Sustainable technologies and methodologies could include, but are not limited to, the conservation of water through the use of water saving fixtures, drought resistant plants to reduce the amount of watering, installation of double pane windows, installation of 1.5 gallon toilets in each dwelling unit, insulation on hot water piping at exposed areas, and the use of forced heating systems as established by the California State Title 24 energy efficiency guidelines.

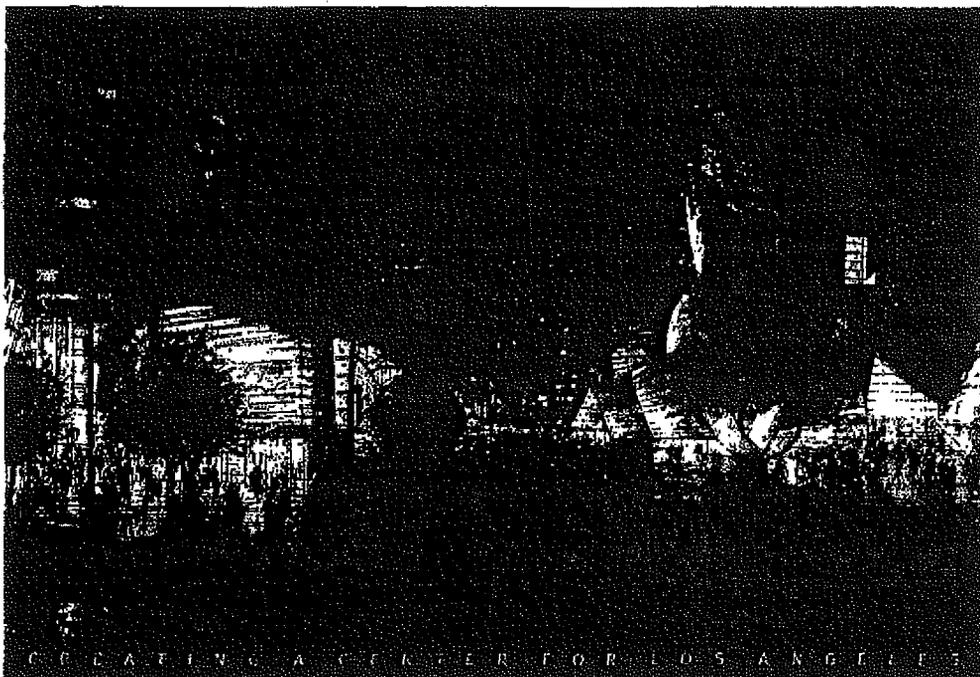
EXHIBIT "G"

REQUEST FOR  
QUALIFICATIONS

OCTOBER 2003

AGENDA ITEM 4

# REIMAGINING GRAND AVENUE

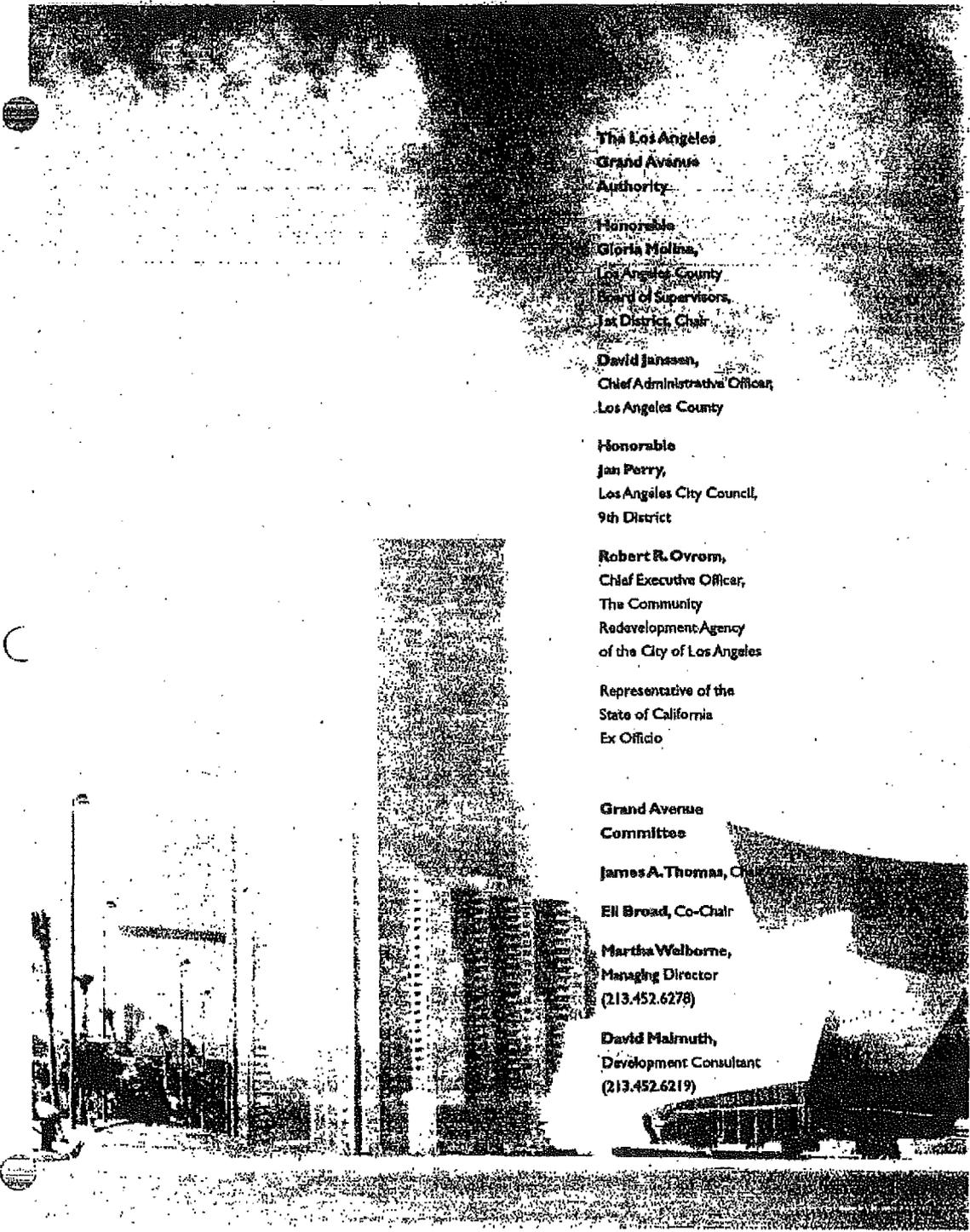


PARCELS  
L, M-2, Q & W-2  
BUNKER HILL  
LOS ANGELES  
CALIFORNIA

THE LOS ANGELES  
GRAND AVENUE  
AUTHORITY

**Request  
for  
Qualifications**

for a  
**Development Team  
to Improve Four  
Parcels in Downtown  
Los Angeles with a  
Mixed-Use, High  
Density Development  
Bunker Hill  
Urban Renewal  
Project  
Los Angeles  
California**



**The Los Angeles  
Grand Avenue  
Authority**

**Honorable  
Gloria Molina,  
Los Angeles County  
Board of Supervisors,  
1st District Chair**

**David Janssen,  
Chief Administrative Officer,  
Los Angeles County**

**Honorable  
Jan Perry,  
Los Angeles City Council,  
9th District**

**Robert R. Ovrom,  
Chief Executive Officer,  
The Community  
Redevelopment Agency  
of the City of Los Angeles**

**Representative of the  
State of California  
Ex Officio**

**Grand Avenue  
Committee**

**James A. Thomas, Chair**

**Ell Broad, Co-Chair**

**Martha Welborne,  
Managing Director  
(213.452.6278)**

**David Malmuth,  
Development Consultant  
(213.452.6219)**



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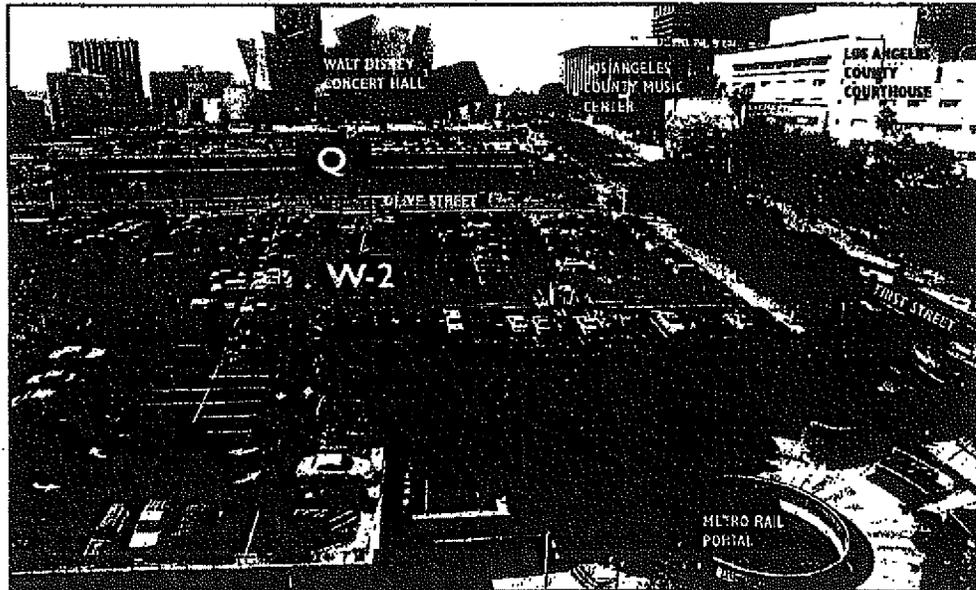
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- 9 Selection of Finalists**
- 9 Process and Terms**
- 10 Confidentiality**
- 10 Standard Requirements**
- 14 Scope of Development**
- 17 Urban Design Guidelines**

Attached "Reimagining Grand Avenue"





Parcels L & M-2, Photographed from Barker Hill Towers



Parcels W-2 (foreground) and Q (background), showing Metro Rail Red Line Portal (lower right)

## INTRODUCTION

This Request for Qualifications (RFQ) is intended to solicit parties interested in developing a high quality, mixed-use, high-density project on four parcels (Parcels L, M-2, Q and W-2), located on, or adjacent to, Grand Avenue in the Bunker Hill Urban Renewal Project in Downtown Los Angeles.

These parcels are the last remaining development opportunities at the top of Bunker Hill in the heart of the civic and cultural districts of downtown Los Angeles. Over 3,200,000 square feet can be built on these parcels. Uses envisioned for the parcels are approximately: 1,000,000 square feet of office, 900,000 square feet of residential, 500,000 square feet of hotel, 300,000 square feet of entertainment uses, 250,000 square feet of retail and restaurants, and parking as required.

The Los Angeles Grand Avenue Authority has been established through a joint exercise of powers agreement created by the County of Los Angeles and the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) for the purpose of undertaking this project as well as bringing about improvements in public infrastructure in this area. The Authority will work on behalf of the County, the CRA/LA and the City of Los Angeles to develop these properties in a way that enhances each of the properties, creates a coordinated development that is attractive to a regional market and achieves a valid redevelopment purpose under the Bunker Hill Redevelopment Plan.

The Authority will hold ground leases on the four parcels that are the subject of this Request for Qualifications. It is anticipated that these ground leases will be transferred to the selected Developer(s) once successful negotiations are completed and approved by the Authority, the County, the CRA/LA and the City. Two parcels are owned by the County of Los Angeles and two are owned by CRA/LA. A vision for the future of these parcels and areas surrounding them has been developed by the Grand Avenue Committee and accompanies this document. All four parcels are currently used for parking.

The Authority is interested in the four sites being developed simultaneously or in successive phases. For housing uses, the RFQ contemplates a rental project, but a for-sale proposal is equally acceptable.

The RFQ is intended to identify three to five potential developers with the experience, financial capacity and urban vision to successfully undertake the project. In the second phase of the selection process, prospective Developers will be asked to submit a design concept and financial projections indicating the price they are prepared to pay to lease the land.

## GOALS OF THE PROJECT

The overall goal for the development of these parcels is to create a vital urban destination in the heart of Downtown Los Angeles. Building upon the one-of-a-kind attractions that already exist in this area, this Project will add a mixture of uses that will complement and expand upon the success of the area and establish attractive, new destinations.

The Project will also expand the Bunker Hill residential community with additional high quality market rate and affordable housing, thereby expanding opportunities for people to live within close proximity to the wide range of employment, cultural, entertainment and retail activities that exist in Downtown Los Angeles.

The Authority is seeking well-designed buildings which create architectural landmarks, encourage pedestrian activity and interaction with neighboring residential, cultural and commercial land uses and contribute to the vitality of the Grand Avenue corridor.

## DEVELOPMENT CONTEXT



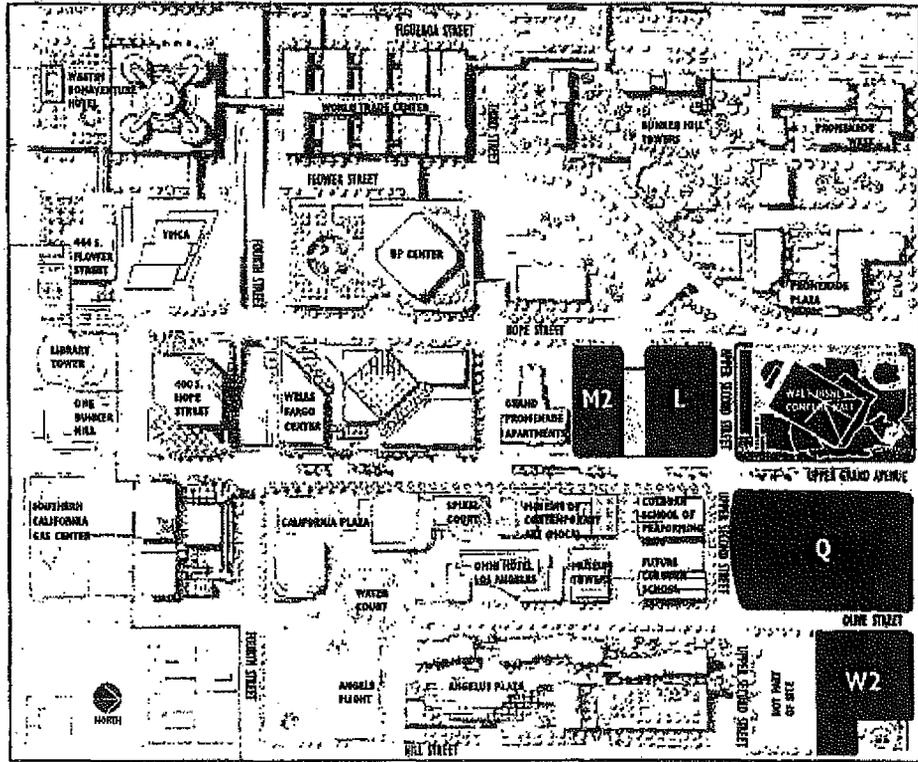
Bunker Hill showing California Plaza, Wells Fargo Center and BP Center

The Bunker Hill Urban Renewal Project was established in 1959 to bring about the redevelopment of a significantly blighted but geographically prominent sector of Downtown Los Angeles. The bulk of the project area is situated on a hilltop approximately 90 feet above the rest of Downtown Los Angeles, making it both visually and physically prominent.

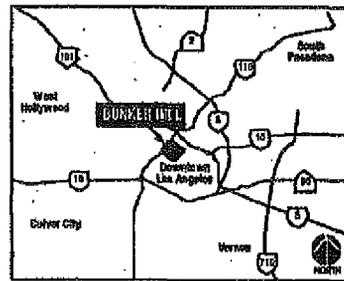
Since the adoption of the Urban Renewal Project, substantial development has occurred, transforming Bunker Hill into the financial and corporate heart of Downtown. To date, 11,400,000 square feet of commercial office and retail space has been developed, along with 3,250 dwelling units and many regionally and nationally recognized cultural institutions, including the Music Center of Los Angeles County, the Museum of Contemporary Art, the Colburn School of Performing Arts and the Walt Disney Concert Hall.

Bunker Hill is Downtown Los Angeles' most prestigious residential and commercial address, and includes the Los Angeles headquarters of British Petroleum, Wells Fargo Bank, Mellon Bank, Citibank, KPMG, Deloitte Touche and numerous other national and international corporations housed in signature buildings which make up the world-recognized skyline of Downtown Los Angeles.

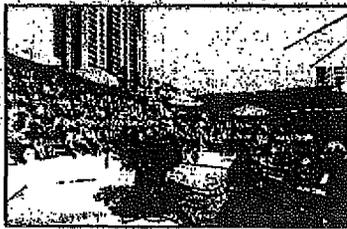
Grand Avenue is the primary boulevard serving Bunker Hill. It provides the link between the Civic Center – one of the largest concentrations of governmental activity outside Washington, DC – and the Downtown Financial District. Major institutions such as the Los Angeles Music Center, Los Angeles County Hall of Administration, Los Angeles Central Library, and the Cathedral



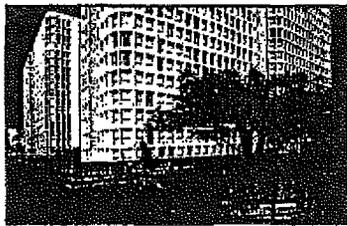
Location Map



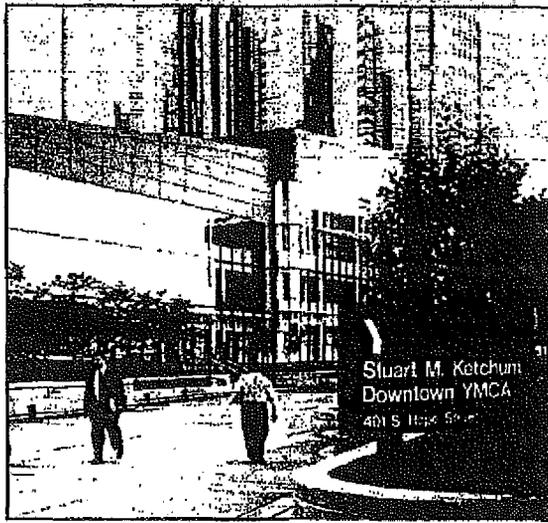
Regional Context



Summer Concerts at California Plaza Water Court



Bunker Hill Towers



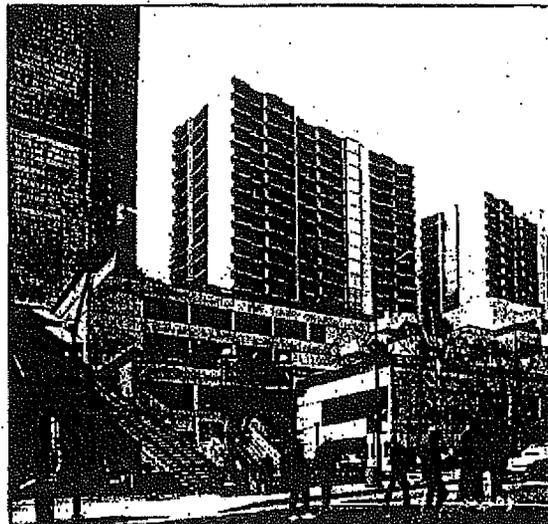
Stuart M. Ketchum Downtown YMCA



Koo Koo Koo Restaurant, Grand Promenade



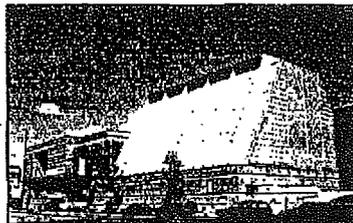
Promenade Plaza



Angels Right and Angelus Plaza



The Museum of Contemporary Art (MOCA)



Colburn School of Performing Arts



Walt Disney Concert Hall



Cathedral of Our Lady of the Angels

of Our Lady of the Angels line Grand Avenue north and south of Bunker Hill, and add to the prestigious institutions on the Hill.

The mix of institutions includes one of the highest concentrations of signature structures designed by world-renowned and international prize-winning architects in the world, including Frank O. Gehry, designer of the Walt Disney Concert Hall, José Rafael Moneo, designer of the Cathedral of Our Lady of the Angels, Arata Isozaki, designer of the Museum of Contemporary Art, and Norman Pfeiffer, designer of both the Colburn School and the Central Library expansion. Major residential, office and hotel uses, as well as key open spaces (the Spiral Court and Water Court among them) also front on Grand Avenue, making the Avenue a key focal corridor of Downtown Los Angeles.

Envisioned as a major urban promenade, Grand Avenue is a two level street for much of its length through Bunker Hill. Truck, delivery and service vehicles access major buildings and parking via a lower level. Visitor traffic, and primary pedestrian access, occurs at the upper level. Thus, a plan is evolving to remake Grand Avenue as a premiere pedestrian space, with appropriate retail and other destination activities added to the mix of office, commercial, cultural, residential, hotel and open space uses already in place. The result is intended to be a world-class boulevard worthy of the world-class institutions which line it. The four development parcels which are the subject of this RFQ are located in the central portion of this promenade.

Parcels L and M-2 are located on the west side of Grand Avenue, immediately south of the Walt Disney Concert Hall and north of the 372-unit Grand Promenade Apartments. Directly across the street from these parcels on the east side of Grand Avenue are the Colburn School, Museum of Contemporary Art, and the Grand Avenue entrance to the Omni Hotel Los Angeles. The parcels have access to both levels of Grand Avenue, and are separated by the east-west running General Thaddeus Kosciuszko Way ("GTK Way"), at the same level as Lower Grand Avenue. Parcels L and M-2 are owned by the CRA/LA.

Parcel Q is located on the east side of Grand Avenue at First Street. It is directly across Grand Avenue from the Walt Disney Concert Hall. Parcel Q is also immediately south of the Los Angeles County Courthouse, and is bounded by First Street, Grand Avenue, Olive Street and a planned extension of Upper Second Street. Parcel WW-2 is directly east of Parcel Q, on the south side of First Street between Olive Street and Hill Street; a portal to the Los Angeles County Metropolitan Transportation Authority (MTA) Red Line Rapid Transit System sits at the southwest corner of First and Hill Streets. The privately-owned Parcel WW-1 is adjacent to and south of Parcel WW-2, completing the block south to Second Street. Parcels Q and WW-2 are owned by the County of Los Angeles.

**EXHIBITS REQUIRED TO RESPOND TO THIS  
REQUEST FOR QUALIFICATIONS**

1. Identify and describe the development entity and its principals. Primary emphasis should be placed on addressing the experience of the development entity in high quality, well-designed, mixed-use projects in key central urban locations.
2. Provide evidence of the developer's financial strength and capability to undertake a project of this magnitude. A balance sheet of the entity or its principals must be included. Bank references, evidence of ability to self-finance and any other exhibits indicating financial capacity will strengthen the response.
3. Identify the proposed architectural design team and other key consultants. The unique location of the sites demands a design of the quality reflected in the site's neighbors: Walt Disney Concert Hall, Cathedral of Our Lady of the Angels, Colburn School, and Museum of Contemporary Art. Renderings or photographs of previous projects should be not more than 8-1/2" by 11" unless the firm has a previously prepared brochure of a larger size. Architectural design concepts for the sites are not to be provided at this time.
4. In a narrative form of no more than two pages, describe the developer's vision for Grand Avenue. Explain how the development project will contribute to the creation of a street that captures the essence of Los Angeles.
5. Provide a check in the amount of \$1,000.00 payable to the California Community Foundation/Grand Avenue Committee. This amount will defray staff costs in evaluating the responses, and is not refundable.

**SELECTION CRITERIA**

1. Demonstrated experience of the principal Developer(s) in the successful realization of high-density, urban, mixed-use projects.
2. Clear evidence of the Developer's ability to finance a project of this size and complexity.
3. Depth and quality of the experience brought by the other key members of the development team, particularly the design team.
4. Ability of the Developer's vision statement to convey an understanding of the unique opportunity presented by this project.

## SUBMISSION PROCEDURES

Developers should submit twelve copies of all submission documents to:

David Malmuth, Development Consultant  
Grand Avenue Committee  
C/o California Community Foundation  
445 South Figueroa Street, Suite 3400  
Los Angeles, California 90071.

In order to be considered, qualifications packages must be received no later than 4:00 p.m. on Tuesday, December 2<sup>nd</sup>, 2003.

Questions regarding this RFQ should be directed to: David Malmuth, Development Consultant, Grand Avenue Committee, at (213) 452-6219 or via e-mail to [dalmuth@grandavenuecommittee.org](mailto:dalmuth@grandavenuecommittee.org). Responses to all questions will be posted on the web site.

Final decisions on the selection of the shortlisted development teams will be made by the Board of the Los Angeles Grand Avenue Authority.

## SELECTION OF FINALISTS

The Authority expects to select not less than three nor more than five finalists, who will be invited to submit complete proposals including concept design drawings, financial projections, the price to be paid to lease the land, and a non-refundable \$25,000 evaluation fee. More specific selection criteria for this second phase will be made available to the finalists when they are selected.

## PROCESS AND TERMS

The Authority will enter into exclusive negotiations with a selected Developer or Developers for these sites. The selected Developer(s) will be expected to negotiate a Disposition and Development Agreement (DDA) with the Authority. The DDA will establish the scope of development, terms of the ground lease of the sites, a schedule of performance, and specific obligations of the Developer(s) and the Authority in carrying out development of the parcels (the "Project"). The Developer(s) will be responsible for Project design, funding of environmental analysis and review, financing, securing building permits, site preparation, and construction of the Project, construction of off-site improvements, and ongoing Project maintenance and operation. The Authority will act as the lead agency under CEQA and will be responsible for directing the environmental analysis.

The Authority may, for any reason, and at its sole discretion, reject any and all submissions at either this Request for Qualifications stage or the subsequent Request for Proposals stage. The Authority may also, at its sole discretion, re-advertise and issue a new Request for Qualifications, or withdraw its request

for same. This RFQ is not a contract offer, a request for technical services, or an agreement to construct any project that may be proposed or otherwise submitted. Should this process result in an Exclusive Right to Negotiate Agreement (ERN), the execution of such Agreement does not constitute a contract, agreement or promise that the ERN will lead to a DDA, or that the Authority will agree to build or have built any proposed project or projects.

#### **CONFIDENTIALITY**

All documents submitted to the Authority are generally subject to the California Public Records Act, and must be made available to members of the public upon request. However, upon specific written request, the Authority may keep confidential any documents submitted in response to this RFQ and the subsequent RFP until the Authority selects a Developer or Developers. At that time, confidential records may be returned to those not selected, if so requested.

#### **STANDARD REQUIREMENTS**

The Grand Avenue Authority will follow the statutory and/or policy requirements of the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) in the development of this Project. The principal requirements of the CRA/LA are:

**A. Preference for Displacees.** The Developer must give first priority for leasing units (if the proposed Project is a rental development) to any displacees currently being relocated from other CRA/LA Redevelopment Projects or Project Areas. Selection of other occupants must follow a Management and Marketing Plan approved by the Authority (see Item G below). Prospective tenants referred by the CRA/LA may be screened by the Project's manager and be required to meet the Project's tenant selection criteria, as established by the Developer in the Management and Marketing Plan. See also Item H below.

**B. Income Mix.** A minimum of 10% of the units must be restricted to moderate-income households (not more than 80% of area Median Income), and 10% to low-income households (not more than 50% of area Median Income). The balance of the units will be made available at market rates. The restricted units must be dispersed throughout the Project and must have at least the same number of bedrooms, proportionately, as the market rate units in the development. The income and rent restrictions will be recorded and remain in effect for not less than 40 years from the date of initial occupancy of the Project. Restrictions of units to very low and low-income occupancy entitles the Developer(s) to a priority status for sewer permits under the City's sewer ordinance, a density bonus, and also may entitle the Developer(s) to federal and state tax credits, if available.

**C. Prevailing Wage Requirements.** For projects with construction contracts in excess of \$1,000, the Developer must pay or cause to be paid to all workers employed in connection with the development of the Project, not less than the prevailing rates of wages as provided in the statutes applicable to CRA/LA public works contracts, including without limitation Sections 33423-33426 of the California Health and Safety Code, and Sections 1770-1780 of the California Labor Code.

**D. Living Wage Requirements.** For projects receiving financial assistance from CRA/LA, the Developer is required to assure that its employees, employees of any contractor or subcontractor to the Developer, and public servants and sublessees are paid not less than the Living Wage as defined by the CRA/LA Living Wage Policy, adopted by the CRA/LA Board of Commissioners on May 29, 2003, and by the Los Angeles City Council on September 26, 2003.

**E. Equal Opportunity/Affirmative Action.** At the subsequent Request for Proposal Stage, the Authority will only consider those proposals containing an Affirmative Action Program which complies with CRA/LA goals for involvement of racial and ethnic minorities as employees, contractors, subcontractors, joint ventures and equity owners as Developers, contractors and subcontractors where feasible. The Affirmative Action program is not required at this RFQ Stage.

**F. MBE/WBE.** The selected Developer(s) will be required to prepare an Affirmative Minority Action Plan to utilize minority and female contractors and subcontractors. The goal for MBE/WBE utilization is 25%. Developers are also required to make their best efforts to employ a workforce of at least 28.3% minority and 6.9% female.

**G. Management and Marketing Plan.** Prior to final approval of a development, the Developer(s) will be required to submit to the Authority a Management and Marketing Plan for the Project. The Plan should emphasize expertise and experience with the management of all components of the proposed development. Potential Developers who lack management experience are encouraged to initiate discussions with private property management firms which have demonstrated experience in the management of high quality residential, commercial and mixed-use projects.

**H. Affirmative Marketing Requirements.** In advertising for residential tenants (or purchasers if a for-sale project is proposed), the Developer(s) must promote equal housing choice for all prospective tenants or buyers regardless of race, color, religion, sex, creed or national origin. Within the above Guidelines, preference must be given to qualified

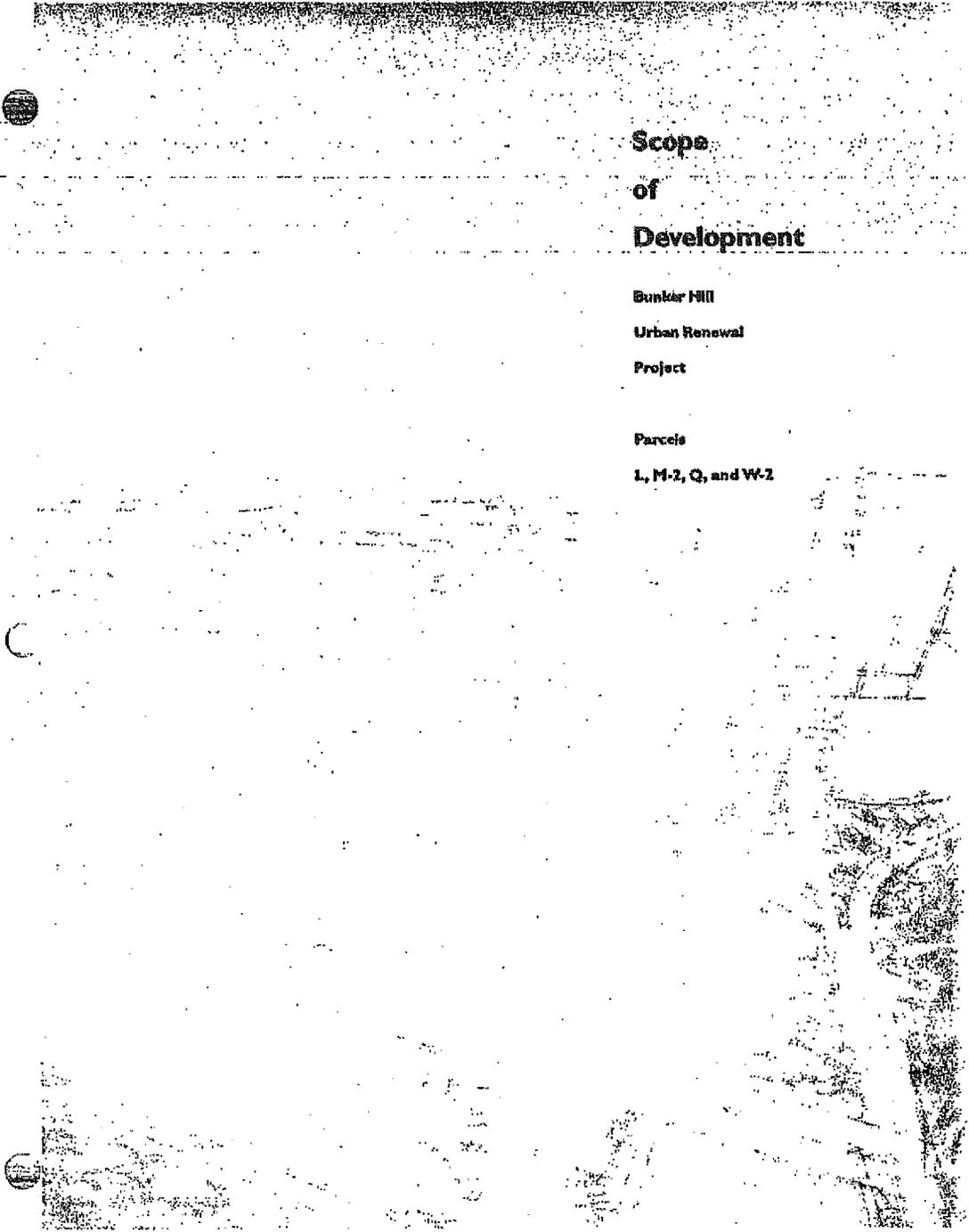
CRA/LA displaces. Prior to occupancy, the Developer(s) will be required to submit an Affirmative Housing Marketing Plan for Agency approval.

**I. Art In Public Places Policy.** The Project is subject to the CRA/LA's Downtown Art In Public Places requirements. The Policy requires Developers to provide one percent (1%) of the total Project development costs, excluding land, off-site improvements and units restricted to low- and moderate-income occupancy, to a public art program. A maximum of 60% of this budget may be allocated to on-site art. A minimum of 40% of the budget must be contributed to the Downtown Cultural Trust Fund. Alternatively, a contribution of 80% of the budget to the Trust Fund will be considered full compliance with the Art In Public Places Policy. The Policy requires Developers to select artists before schematic design begins and preferably before concept development so that artists and designers can work collaboratively toward a totally integrated design.

**J. Architectural Review.** The selected Developer(s) must prepare and submit to the Authority concept design drawings for environmental, planning, and cost review. Following execution of the DDA, the Developer(s) must prepare and submit to the Authority for review and approval the architectural, art, and landscaping plans for the proposed Project including schematic design drawings, design development drawings and final construction drawings. The Authority will require certification throughout construction that the Project is being constructed according to the plans and environmental documents approved by the Authority.

**K. Environmental.** The proposed Project will require environmental review in accordance with the California Environmental Quality Act (CEQA). The Developer(s) will be responsible for all costs associated with the environmental process.

**L. City Requirements.** The Developer(s) must comply with all codes, permit and fee requirements of the City of Los Angeles. The Developer must make appropriate street dedications and be responsible for the construction of improvements in adjoining public rights-of-way in conformance with the standards of the City of Los Angeles.

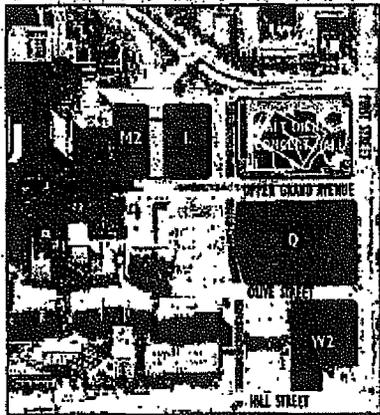


**Scope  
of  
Development**

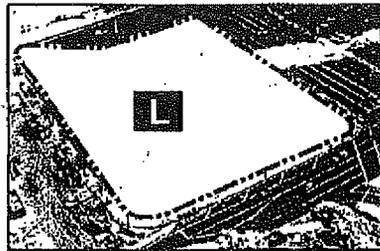
**Bunker Hill  
Urban Renewal  
Project**

**Parcels  
L, M-2, Q, and W-2**

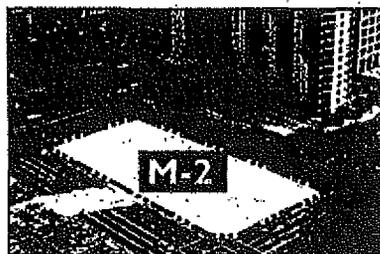
## SCOPE OF DEVELOPMENT



Parcel location map



Parcel L from northwest, Grand Avenue bridge in background



Parcel M-2 from northwest, showing Grand Avenue bridge and Grand Promenade Apartments

### 1. Site Condition and Zoning:

The Site consists of four parcels, identified as Bunker Hill Urban Renewal Project Parcels L, M-2, Q and W-2. Parcel L is approximately 58,400 square feet in size; Parcel M-2 is approximately 39,200 square feet; Parcel Q is approximately 160,300 square feet; and Parcel W-2 is approximately 89,000 square feet. All four sites are currently undeveloped and being utilized as parking. (Parcel Q currently has a parking structure erected on site). The sites will be delivered "as is" to the selected Developer(s) with no warranty as to the underlying soil conditions.

Parcels L and M-2 are each zoned R5-4D, designated for high-density residential development, and are currently entitled for approximately 670 residential units and ancillary professional office and retail uses. Land coverage of the residential buildings on the site may not exceed 40% (excluding parking and other non-residential buildings).

Parcels Q and W-2 are each zoned R5-4D and C2-4D, designated for mixed-use commercial development, including office, hotel, retail commercial, housing and other compatible uses. Parcels Q and W-2 are currently entitled to 1,765,755 square feet of development.

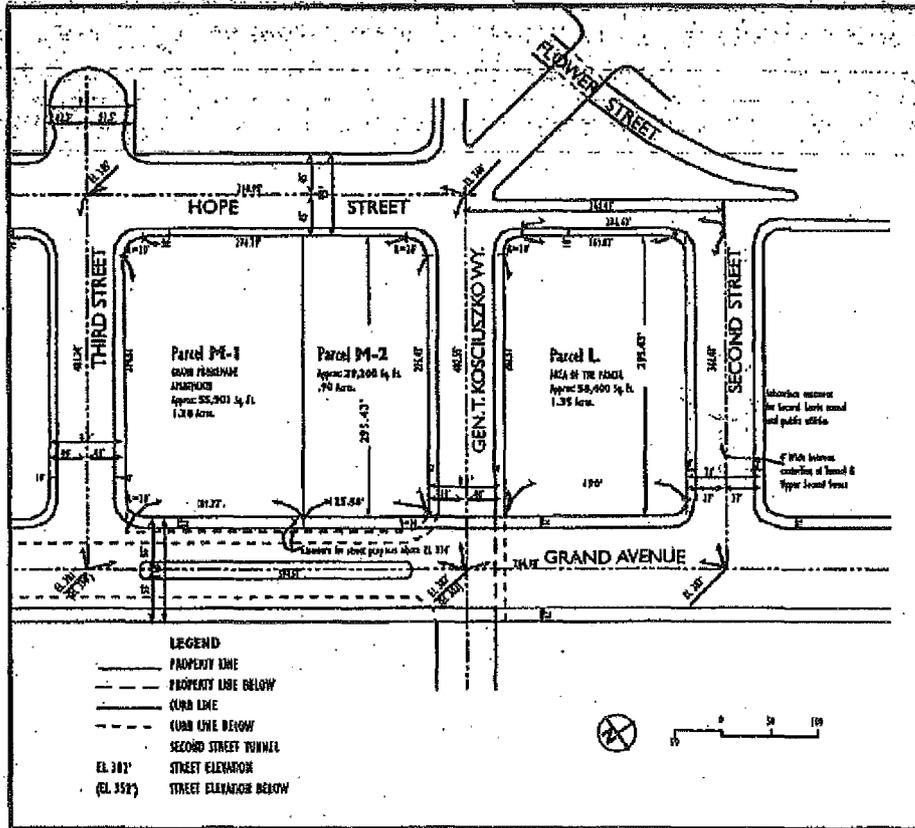
### 2. Topography Of Site:

The topography of Parcel L (northwest corner of GTK Way and Grand Avenue) has been graded relatively flat down to the elevations of GTK Way and Hope Street, with 30 foot high slopes along the northerly property line and Grand Avenue. The topography of Parcel M-2 (southwest corner of GTK Way and Grand Avenue) has been graded relatively flat down to the elevations of Hope Street and GTK Way Avenue. Upper Grand Avenue is approximately 30 feet above Lower Grand Avenue.

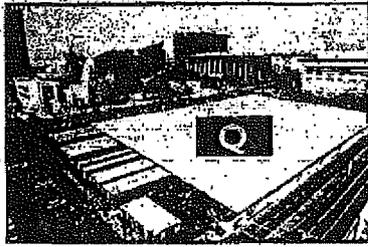
Parcels Q and W-2 are sloping sites, generally sloping from west to east. Parcel Q has been partially graded to facilitate its use for parking and is occupied by a parking structure. The westernmost portion of Parcel Q is graded below the level of Grand Avenue with a significant slope and retaining wall from the sidewalk to the lowest parking level. A portion of Grand Avenue north of GTK Way is on a bridge structure (there is a lower level to Grand Avenue). The existing parking structure follows the topography of the site and the lowest eastern garage level is approximately at the level of Olive Street. Parcel W-2 has also been graded for parking, and contains a substantial (15 to 20 foot high) concrete retaining wall along its eastern side, abutting the Metro Rail portal and Hill Street.

### 3. Site Setting:

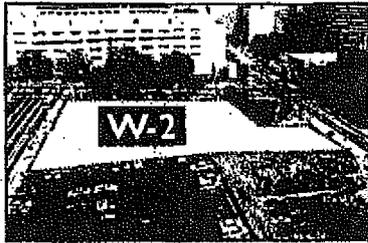
Parcels L and M-2 are two adjacent parcels on the west side of Grand Avenue,



Site map for Parcels L and M-2 -- all measurements are approximate



Parcel Q from Southeast with Walt Disney Concert Hall & Los Angeles County Music Center (background)



Parcel W-2 looking north toward County Courthouse



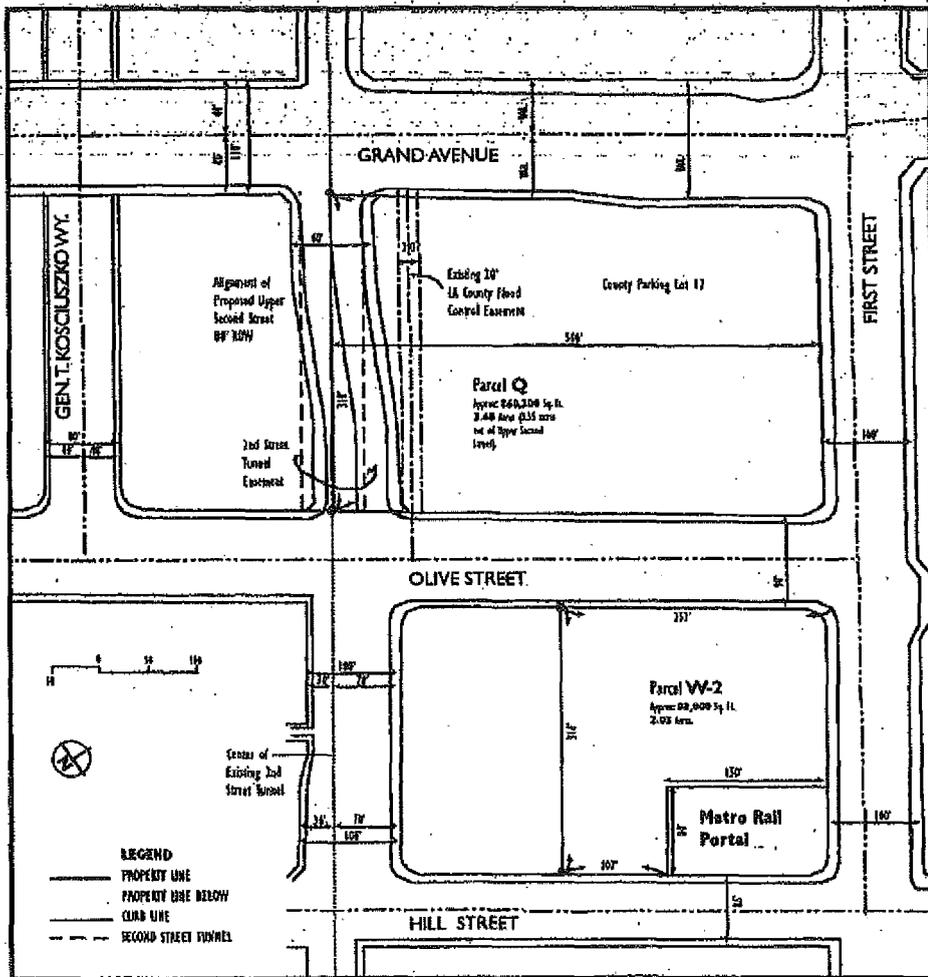
Parcel W-2 looking west (Metro Portal foreground)

between the Walt Disney Concert Hall and Grand Promenade Apartments. Both parcels are owned by the Community Redevelopment Agency of the City of Los Angeles. The uses surrounding these parcels consist of a mixture of residential, cultural, office and retail uses. To the north, the 2,300-seat Walt Disney Concert Hall was recently opened. To the west is a heating and cooling plant (Central Plant Incorporated) and to the northwest the Promenade Plaza Condominiums containing 140 residential condominium units and 25,000 square feet of retail space. To the south of Parcels L and M-2 is the Grand Promenade Phase I, consisting of 372 residential rental units, 25,000 square feet of office and 10,000 square feet of retail space. To the southeast is the California Plaza Phase 1A development that contains approximately 880,000 square feet of office space and 30,000 square feet of retail space, and the Museum of Contemporary Art. To the east is the Colburn School of Performing Arts.

Parcels Q and W-2 are located slightly northeast of Parcels L and M-2 on the south side of First Street between Grand Avenue and Hill Street. In addition to the surrounding uses cited above, directly north of Parcels Q and W-2 is the Los Angeles County Courthouse. At the northeastern corner of Parcel W-2 (southwest corner of First and Hill Streets) is a portal to the Civic Center station of the Metro Rail Red Line rapid transit system. To the east, across Hill Street, is the proposed site for a new Federal Court House. To the south of Parcel W-2 is the privately owned Parcel W-1, on which a high density residential project has been tentatively proposed.

#### 4. Project Characteristics and Schedule:

The Authority expects that the entire development should be of high-quality design and building materials. The Project may be developed in multiple phases but should be fully developed within five years of the execution of the DDA contemplated by this RFQ.



Site map for Parcels Q and W-2 -- all measurements are approximate

## URBAN DESIGN GUIDELINES



Proposed streetscape looking toward the Walt Disney Concert Hall



Proposed streetscape near the Music Center

### 1. Ground Floor/Street Level Uses:

Ground floor design and use, along with the primary building entrances, must contribute to the creation and reinforcement of street activity and identity along Upper Grand Avenue, Hope Street, First Street, Olive Street and Hill Street; and recognize and appropriately incorporate the existing access to the Metro Rail Red Line at First and Hill Streets. With the exception of Parcel W-2, primary pedestrian entrances and orientation of the Development must be along the Grand Avenue frontage, and treated as the "front door" of the Project, with appropriate entry plazas and landscaping located at street level. Appropriate secondary entrances and orientation of the Development must also be provided along First Street, Hope Street and Olive Street.

Activation of the street frontage and interaction with street activity is a major design requirement. This may be achieved by incorporating active retail and/or public spaces into the building design, and with appropriate retail frontage along Grand Avenue and portions of First Street. Activity generating uses such as restaurants, jazz clubs, movie theaters, bookstores and the like are strongly encouraged. Community-serving uses such as newsstands, flower shops, gift shops, card shops, food markets, drug stores and dry cleaners are also encouraged at the ground level. Professional offices are permitted above the first floors of buildings.

All publicly accessible space, including sidewalks, building lobbies, gardens and plaza areas, must be attractively landscaped, and designed and finished with high quality materials. The design of the buildings must provide for the development of a landscaped public deck over GTK Way similar to that incorporated in the Colburn School complex to the east.

### 2. Consistency with Grand Avenue Master Plan:

Development of the Project must be also consistent with the recently completed Grand Avenue Master Plan entitled: "Reimagining Grand Avenue." Concerning the street itself, the plan envisions widened sidewalks, improved landscape, and amenities including lighting, benches, kiosks, newsstands, and other streetscape elements. The Plan promotes a consistent approach to streetscape design along Grand Avenue from Cesar E. Chavez Avenue to Fifth Street. The Plan also envisions the renovation and extension of the County Mall into a new Civic Park for Los Angeles. It is imagined that the new park and the new development on Grand Avenue will attract a regional market and that these two elements will be mutually supportive and collaborative in the scheduling and creation of events, and in attracting the public to Grand Avenue in general.



### **3. Parking and Access:**

The Project must provide Municipal Code required parking on site. For residential uses, parking must be provided at no less than the following ratios: one space for each unit of less than three habitable rooms per unit; 1-1/4 parking spaces for each dwelling unit of three or more habitable rooms. For commercial uses, parking should be provided at the rate of not more than one space for every 1,000 square feet of development. The City of Los Angeles Department of Building and Safety will calculate the exact number of required parking spaces to be provided. Parking must be provided below the elevation of Upper Grand Avenue. Any visible parking structure is subject to design approval and must be, at a minimum, screened from public view. Parking and loading access points are prohibited along Upper Grand Avenue. They are to be located primarily along GTK Way, Hope Street, Second Street, Olive Street, or Lower Grand Avenue.

### **4. Building Materials and Finishes:**

Building materials, color and design must be of the quality represented by other major developments in the area. Materials selected should provide a sense of permanence and an attractive street level environment. Glazing for street level commercial uses should allow indoor functions to be visible from the outside. The use of highly reflective or mirrored glass material is discouraged.

### **5. Building Heights:**

The elevation of the uppermost-occupied floor may not exceed 65 stories above the elevation of Upper Grand Avenue.

### **6. Building Setbacks:**

Buildings located on Parcels L and M-2 must provide setbacks from the east property line along Upper Grand Avenue of approximately 30 feet, similar to the Grand Promenade apartment building to the south. Buildings on Parcel Q must provide setbacks from the west property line along Upper Grand Avenue consistent with the Grand Avenue Master Plan. The Grand Avenue setback may be used for sidewalk cafes and other street-related functions. No permanent walls or barriers are permitted between this setback area and the public sidewalk. Buildings located on Parcels Q and W-2 should provide setbacks from the north property line along First Street of not less than fifteen feet. Setbacks on other streets shall be sufficient to assure a minimum sidewalk width, after any curbline adjustments that may be required by the City of Los Angeles, as described below in Section 12.

### **7. Building Placement:**

Location of tower components on Parcels L and M-2 must be particularly sensitive to their location adjacent to the Walt Disney Concert Hall. Smaller

floor plates are encouraged to offer opportunities to stagger the placement of the towers on these parcels, thus achieving appropriate setbacks from the concert hall and, at the same time, maximizing views from residential units.

#### **8. Building Massing:**

The distribution of building mass on Parcel Q must be carefully considered to respect the prominence of the Walt Disney Concert Hall immediately across the street, as well as the low height of the Colburn School immediately to the south. Ideally, two towers will be built on Parcel Q, allowing for a segregation of office and hotel and/or residential uses as well as a distribution of building mass. Entertainment and retail uses should be located on the lower levels of both towers, and provide easy access to the street level.

#### **9. Lighting:**

Nighttime lighting of building tops, entrances, and other architectural features is encouraged, except where such lighting would be disruptive to or incompatible with adjacent residential developments. Pedestrian paths and public spaces should be lighted in a manner that results in a natural color spectrum while meeting energy conservation standards and while providing a sense of security. Nighttime lighting in public areas must be adequate to meet security needs but should be shielded or diffused and not so harsh as to create unnecessary glare or dissipation into the night sky.

#### **10. Landscaping:**

All publicly accessible spaces, including sidewalks, lobbies, entrance areas, and residential plaza spaces, shall be attractively landscaped or finished in high-quality materials. Street trees and other landscaping shall be provided within public sidewalks in a manner and quality consistent with City streetscape standards and with the streetscape guidelines proposed in the Grand Avenue Master Plan.

#### **11. Signage:**

The size, color, lighting, and design of all exterior signs are subject to approval. All signage must conform to the CRA/LA Skyline Signage Policy and the Bunker Hill Design for Development regarding signage.

#### **12. Sidewalk Standards:**

The selected Developer(s) will construct and/or improve all sidewalks adjoining the Site. Minimum sidewalk widths, setbacks, and build-to lines for all public streets affected by the Project must conform to the Grand Avenue Master Plan and the CRA/LA's Master Plan of Downtown Street Widths. Specifically, minimum sidewalk widths will be 15 feet along Upper Grand Avenue and First Street (with additional setbacks as described in Section 6 above), 12 feet along Olive and Hill Streets and 10 feet along Hope Street and

EXHIBIT "H"

QUITCLAIM DEED- GRAND AVENUE L.A., LLC AND THE RELATED COMPANIES,  
L.P. TO LOS ANGELES GRAND AVENUE AUTHORITY

RECORDING REQUESTED BY  
County of Los Angeles  
AND MAIL TO

\*  
\*  
\*  
\*  
\*

\_\_\_\_\_ Space above this line for Recorder's use \_\_\_\_\_

[THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE GOVERNMENT CODE

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11922 OF THE REVENUE  
AND TAXATION CODE

TAX PARCELS: MB 5149-10-949 and MB 5149-10-944

# QUITCLAIM DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, GRAND AVENUE L.A., LLC, a Delaware limited liability company, and THE RELATED COMPANIES, L.P., a New York limited partnership, hereby remise, release and forever quitclaim to The **LOS ANGELES GRAND AVENUE AUTHORITY, a California joint powers authority ("Authority")**, the real property located in the City of Los Angeles, County of Los Angeles, State of California, described in Exhibit A which is incorporated herein by reference as though set forth in full.

GRAND AVENUE L.A., LLC,  
a Delaware limited liability company

THE RELATED COMPANIES, L.P.,  
a New York limited partnership

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

By: The Related Realty Group, Inc.,  
a Delaware corporation,  
its sole General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

STATE OF CALIFORNIA )  
 ) ss  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

STATE OF CALIFORNIA

)

) ss

COUNTY OF \_\_\_\_\_

)

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

**EXHIBIT A**

EXHIBIT "1"

LEGAL DESCRIPTION OF PHASE I PARCEL

LOT 1 OF TRACT NO. 28761, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 926, PAGES 5 THROUGH 8, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION SAID LOT 1 DESCRIBED AS "PARCEL 1, EASEMENT FOR STREET RIGHT OF WAY PURPOSES, UPPER 2<sup>ND</sup> STREET" AS PER THE DOCUMENT RECORDED AUGUST 5, 2004 AS INSTRUMENT NO. 04-2017965, OFFICIAL RECORDS OF SAID COUNTY.