



**MICHAEL N. FEUER**  
CITY ATTORNEY

**REPORT NO.** R 1 5 - 0 1 0 4  
APR 2 1 2015

**REPORT RE:**

**DRAFT ORDINANCE AUTHORIZING THE ADOPTION OF  
AN AMENDMENT TO THE 2008 AMENDED AND RESTATED DEVELOPMENT  
AGREEMENT BY AND BETWEEN THE CITY OF LOS ANGELES AND  
PORTER RANCH DEVELOPMENT COMPANY**

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

Council File No. 15-0104  
CPC-1990-439-DA-M1

Honorable Members:

On November 20, 2014, the City Planning Commission recommended that the City Council adopt an amendment to the 2008 Amended and Restated Development Agreement between Porter Ranch Development Company, a California joint venture (the Developer), and the City (the Amendment). On February 24, 2015, the Planning and Land Use Management (PLUM) Committee took an action requesting that our Office prepare and present an ordinance authorizing the execution of this Amendment.

Pursuant to that February 24, 2015, request, this Office has prepared and now transmits for your consideration a draft ordinance, approved as to form and legality, and the Amendment in a form we can also approve.

### Background

The City and Developer entered into a Development Agreement dated February 18, 1992 (the Original Agreement). The Original Agreement was adopted along with the Porter Ranch Land Use/Transportation Specific Plan (Ordinance No. 166,068). The Original Development Agreement covered most of the area of the Specific Plan, which encompassed approximately 1,300 acres of a master planned community in the northwest portion of the San Fernando Valley. The Original Development Agreement granted Developer a vested right to construct the development authorized by the Specific Plan for a 20-year time period, extending through February 2012.

On May 29, 2001, the Development Agreement was amended to extend the term of the Original Agreement to December 31, 2015, through the adoption of the First Amended and Restated Development Agreement after adoption of Ordinance No. 173873. In 2008, a further amendment occurred through the adoption of the 2008 Amended and Restated Development Agreement after adoption of Ordinance No. 180084 on July 25, 2008 (the Development Agreement). This amendment tracked amendments made to the Specific Plan.

At the present time, approximately 60% of the Development Agreement area has been developed with a mixture of single-family homes, townhouses, attached and detached condominiums, retail shopping centers, office space, senior housing, a church campus, several parks, a public school, a fire station and a system of equestrian trails and bikeways. A number of factors have delayed completion of the full buildout of the Development Agreement area.

The term of the Development Agreement is set to expire on December 31, 2015. The City and Developer desire through this Amendment to extend the term of the Development Agreement an additional two years so that it will expire on December 31, 2017. Although there is a provision in the Development Agreement (Section VII.J) that allows the term to be extended for an additional five years, to December 31, 2020, if the public benefits listed in Section III have not been completed by December, 2015, that five-year extension requires a determination be made that the listed public benefits have not been completed by the end of 2015. The Planning Department feels that such a determination would be premature at this time and uncertain in its application at the end of the term. Developer requires the continued certainty of its vested development rights for a sufficient time period to allow it to complete the authorized commercial and residential development and provide the remaining public benefits. Developer is therefore requesting an amendment that would add an additional two years to the termination date and delete the provision for a further five-year extension, resulting in a two-year extension of the Development Agreement. No other changes to the Development Agreement or the underlying planning and zoning approvals are being sought in connection with the requested two-year extension.

Although many of the public benefits required by the Development Agreement have already been fulfilled, Developer will still be required to provide the following during the two-year extension:

- Developer shall be required to participate in a Congestion Management Program;
- Developer shall fully develop a 50-acre park which was previously dedicated to the City should it complete the buildout of a number of certain residential units;
- Utilities shall be grounded for the buildout of certain additional tracts;
- Developer shall provide a 2-acre site for a municipal or school set aside within a designated Community Center Area should Developer meet a 750,000 square foot buildout threshold for commercial space.

#### City Planning Commission Action

Pursuant to Charter Section 558, on November 20, 2014, the City Planning Commission recommended that the City Council approve an amendment to the 2008 Amended and Restated Development Agreement by and between the City and Porter Ranch Development Company. It adopted the required Charter and Government Code findings prepared by the Department of City Planning that are contained in the Planning Department staff report to the City Planning Commission, at pages F-1 through F-2. Should the City Council adopt the proposed ordinance, it may comply with the provisions of Charter Section 558 and the Government Code by adopting the findings adopted by City Planning Commission or by making its own findings.

#### California Environmental Quality Act (CEQA)

On November 20, 2014, the City Planning Commission took the following actions:

- (1) Adopted, pursuant to Section 21082.1(c)(3) of the California Public Resources Code, Negative Declaration No. ENV-2011-1312-ND.
- (2) Advised the Applicant that, pursuant to California Public Resources Code Section 21081.6, the City shall monitor or require evidence that mitigation conditions are implemented and maintained throughout the life of the project and the City may require any necessary fees to cover the costs of such monitoring.

Council Rule 38 Referral

Pursuant to Council Rule 38, copies of the draft ordinance and the Amendment were sent to the Department of Recreation and Parks with a request that all comments, if any, be directed to your Honorable Body or your Committees at the time this matter is considered.

Government Code Requirements for Notice and Hearing

Before taking action on either the draft ordinance or the Amendment, the City must comply with the provisions of Government Code Sections 65867, 65090 and 65091. Those sections require, among other things, notice and a public hearing. In addition, the City's development agreement procedures state that the City Council shall not take any action on any development agreement prior to the expiration of a 24-day notice.

Recommended Actions

If the City Council wishes to approve the proposed ordinance and Amendment, it must:

- (1) Adopt Negative Declaration No. ENV-2011-1312-ND; and
- (2) Adopt the enclosed draft ordinance authorizing the execution of the Amendment.

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

Very truly yours,

MICHAEL N. FUERER, City Attorney

By   
DAVID MICHAELSON  
Chief Assistant City Attorney

DM/LCH:pj  
Transmittal