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March 14, 2016

BY MESSENGER AND EMAIL

Councilmember Jose Huizar, Chair
Councilmember Marqueece Harris-Dawson, Vice Chair
Councilmember Mitchell Englander
Councilmember Gilbert A. Cedillo
Councilmember Felipe Fuentes
Planning and Land Use Management Committee
200 North Spring Street
Los Angeles, California 90012

Date: 03/15/2016

Submitted in PLUM Committee

Council File No: 16-0106 & 16-0106-51

Item No. 10 #11

Deputy: Comm from Applicant Rep.

Re: CH Palladium Response to Additional Appeal Correspondence from AIDS Healthcare Foundation (March 15, 2016 Agenda Items 10 and 11); Support for Council-Initiated Hollywood Palladium Historic Nomination (March 15, 2016 Agenda Item 12)

Dear Chair Huizar and Honorable Committee Members:

On behalf of CH Palladium, LLC we write in response to the letter dated March 10, 2016 submitted on behalf of AIDS Healthcare Foundation ("AHF"). Though the letter references AHF's appeals of the CH Palladium entitlements, it provides no additional substantive information or argument except to urge the City to move forward with the historic nomination of the Hollywood Palladium as a City landmark. In fact, such progress is already occurring in that the City has agendized Councilmember O'Farrell's motion to initiate nomination of the Palladium as Item No. 12 of the PLUM agenda for March 15, 2016.

CH Palladium as the owner of the property has previously indicated its support for such nomination in connection with the requested Project approvals, we also fully support the City's proposal to take control of the nomination process itself. The Palladium is leased to Live Nation which operates and will continue to operate the venue and CH Palladium has agreed not to demolish the venue. Contrary to AHF's allegations, AHF has no right whatsoever to control the Cultural Heritage process, and it should applaud and support Councilmember O'Farrell's motion. AHF's fundamental objection seems to be that it opposes the timing proposed by CH Palladium as the property owner for the nomination process; accordingly it should be pleased that the City is now taking the initiative to expedite consideration of this issue.

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At the heart of AHF's letter is the unfounded assertion, which AHF has repeated time and again without any basis, that CH Palladium will not preserve the Palladium and that processing an Historic-Cultural Monument nomination immediately is necessary for the protection of the Palladium. This has no basis in the record and shows a willful disregard of the following facts:

- CH Palladium has committed in writing to preserve the Palladium since the inception of the Palladium Residences Project. The Notice of Preparation of an EIR for the Project - issued two and a half years ago on August 8, 2013 - states that "The Project would protect and enhance the historic Palladium," which is consistent with the Project analyzed in the Draft EIR published on October 23, 2014.
- Likewise, the Project applications submitted by CH Palladium on June 27, 2013 proposed a zoning condition that would "require the Applicant to nominate the Palladium as a Historic-Cultural Monument upon issuance of a building permit for the Project."

From the start, preservation of the Palladium has been a defining part of the Project, and CH Palladium has volunteered conditions binding itself to this commitment. AHF cannot point to any contrary evidence in the record.

- The City Planning Commission's determination includes Q Condition No. 9 which requires that "prior to the issuance of building permits... the applicant shall nominate the Hollywood Palladium theater building as a Historic-Cultural Monument..." Additionally, in the event that the applicant fails to nominate, this condition provides that "the application will not oppose any other entity nominating the building as a Historic-Cultural Monument."
- When the Palladium entitlements are preserved, the Palladium's protections will go even further. In language proposed by Hollywood Heritage and incorporated by the Planning Commission in the Project conditions, even if the Palladium is damaged or destroyed by a natural event, CH Palladium is nonetheless prohibited from rebuilding any building other than the Palladium with the replacement density. Q Condition No. 9 states that "Development density from the Palladium building site will be used for a project developed on adjacent property, and shall not be used to redevelop the Palladium building site. Development rights shall be limited to the repair or reconstruction of the Palladium building in the event of damage or loss."
- Unlike AHF, CH Palladium is also proposing to invest in the enhancement of the Palladium itself, and is required to do so through the requested entitlements. Project Design Feature PDF-HIST-1 is included in the Project's Mitigation Monitoring and Reporting Plan, which CH Palladium is required to implement as part of the Project, and must record a covenant agreeing to the same. This Project Design Feature clearly requires preservation and enhancement of the Palladium: "A draft Palladium Preservation and Enhancement Plan proposed by the

Applicant shall be submitted to Hollywood Heritage and OHR no later than 30 calendar days prior to... the issuance of building permits for the Project... A final Plan shall be approved by OHR prior to issuance of final certificates of occupancy for the Project.”

- Finally, CH Palladium has entered into a Letter of Intent with the LA Conservancy and Hollywood Heritage to execute a conservation easement on the Palladium, which would preserve the Palladium in perpetuity. The president of Hollywood Heritage acknowledged this commitment in testimony at the November 19, 2015 hearing. (Planning Commission Hearing Transcript, at pp. 93 (November 19, 2015).) CH Palladium has also stated for the record its commitment to executing a conservation easement in testimony before the Planning Commission. (Planning Commission Hearing Transcript, at pp. 93 (November 19, 2015).)

Luci Ibarra with City Planning likewise confirmed at the City Planning Commission hearing CH Palladium’s unwavering preservation commitment:

The Palladium structure has always been described in the project’s analysis as being preserved and maintained. The preservation enhancement plan, again, is in the project design features that are incorporated into the Q conditions ... the applicant has always volunteered to nominate the structure. (Planning Commission Hearing Transcript, at pp. 99 (November 19, 2015).)

The record could not be more clear that the Palladium will be preserved as part of the Project, and that this commitment has been in place from the time of the Project’s application submittal.

To justify expedited processing of a Monument nomination, AHF’s letter describes instances in which a potential Monument is threatened with demolition by the owner. Those circumstances are not present here. The Palladium is under no threat of demolition. The Project approved by City Planning Commission, and being considered by PLUM, does not propose demolition of the Palladium. No CEQA analysis has been prepared analyzing demolition of the Palladium, therefore no building permits could be issued for demolition. Further, CH Palladium has a long-term lease with Live Nation to operate the Palladium. There is simply no threat to the Palladium justifying accelerated processing of the Palladium’s nomination or to justify AHF’s control of the process rather than the City’s, as proposed by Councilmember O’Farrell.

AHF provides no reason to delay PLUM’s hearing on the Palladium Residences Project, or any basis for claiming a denial of civil rights to AHF. The City’s approval of the Palladium Residences Project is already conditioned on initiation of the nomination. Therefore the Council’s consideration of the Project’s approval is not impacted by when the Cultural Heritage Commission holds a hearing on the nomination. AHF will have a full opportunity to comment on and participate in the Palladium’s nomination when it is considered by the Cultural Heritage Commission.

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Finally, AHF is wrong when it states that the City Planning Commission was not informed of AHF's motion or Councilmember O'Farrell's motion to initiate nomination. Luci Ibarra with City Planning informed the City Planning Commission of the Councilman's nomination at the first November 19, 2015 hearing, telling the CPC that "the Council office as of this week, I understand, has initiated nomination of the structure." (City Planning Commission hearing, Luci Ibarra, page 99 (November 19, 2015).) On behalf of CH Palladium, our firm also reminded the City Planning Commission of the Councilmember's motion at the December 10, 2015 hearing. (Planning Commission Hearing Transcript, at p. 39 (Dec. 10, 2015).) AHF's attorney informed the City Planning Commission of its nomination at both hearings. The allegation in AHF's current letter to the contrary is yet another misstatement of the facts from AHF's counsel.

CH Palladium fully supports Councilmember O'Farrell's motion for the City to initiate the nomination process, and looks forward to the Cultural Heritage Commission's consideration of that nomination. We respectfully ask that the PLUM Committee recommend approval of the Palladium Residences Project, which, as described above, further codifies the Project's commitments to the Palladium's preservation and enhancement.

Thank you for your consideration and we look forward to appearing before you on March 15, 2016.

Very truly yours,



Heather A. Crossner
of LATHAM & WATKINS LLP

cc. Honorable Councilmember Mitch O'Farrell
Charlie Rausch, Department of City Planning
Luciralia Ibarra, Department of City Planning
Kevin Keller, Office of the Mayor
Adam Tartakovsky, Crescent Heights
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