



MICHAEL N. FEUER
City Attorney

REPORT NO. R17-0144
MAY 08 2017

REPORT RE:

**DRAFT ORDINANCE AUTHORIZING THE ADOPTION OF A
DEVELOPMENT AGREEMENT BY AND BETWEEN
THE CITY OF LOS ANGELES
AND CELEBRITY REALTY HOLDINGS, LLC**

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

Council File No. 16-0960
CPC-2016-1034-DA

Honorable Members:

On November 8, 2016, the Planning and Land Use Management (PLUM) Committee took an action requesting that this Office prepare and present a draft ordinance authorizing the execution of a development agreement between the City and Celebrity Realty Holdings, LLC (the Development Agreement).

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

Background

The Development Agreement is proposed in conjunction with the relocation and new construction of the Honda of Downtown Los Angeles car dealership, currently located at Figueroa Street and Venice Boulevard, which will relocate to Martin Luther King, Jr. Boulevard and Hoover Street. As part of this project, the existing vacant commercial building, surface parking and billboards will be demolished and be replaced with two large structures. The East structure will consist of a five-story, six-level building which will have two levels of showroom, office, service, storage, and above-ground customer and vehicle parking. The West structure will consist of a five-story building with 105,075 square feet of dealership operations and vehicle storage. Illuminated signage and digital displays will also be included in the project.

The Development Agreement for this project is generally consistent with the City's prior development agreements. Under the Development Agreement, the Developer has agreed to provide the following public benefits:

- The Developer shall deposit \$100,000 into an escrow account which shall be dedicated to providing scholarships to residents of Council District 9 to attend Los Angeles Trade Technical College (LATTC);
- The Developer shall provide a financial contribution of \$50,000 towards the formation of a Business Improvement District in Council District 9.

The Development Agreement has been modified from the draft approved by the PLUM Committee to clarify the benefit language and to make other technical corrections.

City Planning Commission Action

Pursuant to Charter Section 559, the Planning Director, on behalf of the Planning Commission, approved the Development Agreement and recommended that it be adopted by the City Council.

The Commission previously adopted the required Charter and Government Code findings that are contained in the Planning Department's staff report to the City Planning Commission. Should the City Council adopt this ordinance, it may comply with the provisions of Charter Section 558 and the Government Code either by adopting these findings or by making its own findings.

California Environmental Quality Act

If the City Council wishes to adopt the ordinance authorizing execution of the Development Agreement, it must first comply with CEQA. Given that Council has

previously adopted the Mitigation Negative Declaration (MND) for the project, Council may comply with CEQA in connection with the Development Agreement by making the CEQA finding set forth below under Recommended Actions.

Government Code Requirements for Notice and Hearing

Before action may be taken on either the draft ordinance or the Development Agreement, 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. However, the City Council previously acted to waive the 24-day notice requirement for this Development Agreement.

Recommended Actions

If the City Council wishes to approve the proposed Development Agreement as recommended by the PLUM Committee, it should:

- (1) Previously have approved all the related entitlements;
- (2) Find based on the independent judgment of the City Council, after consideration of the whole of the administrative record, the project was assessed in the Mitigated Negative Declaration (ENV-2016-1036-MND) adopted on November 22, 2016; and pursuant to CEQA guidelines, Sections 15162 and 15164, and no subsequent environmental clearance is required for approval of the project;
- (3) Adopt the July 28, 2016, findings of the Planning Commission, including the Development Agreement findings, or adopt Council's own findings; and
- (4) Adopt the enclosed draft ordinance authorizing the execution of the Development Agreement.

Council Rule 38 Referral

Pursuant to Council Rule 38, copies of the draft ordinance and the Development Agreement were sent to the Department of Building and Safety with a request that all comments, if any, be presented directly to the City Council or its Committees when this matter is considered.

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

Very truly yours,

MICHAEL N. FEUER, City Attorney

By 

DAVID MICHAELSON
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DM/LCH:mgm
Transmittal