



DEPARTMENT OF CITY PLANNING

RECOMMENDATION REPORT



City Planning Commission

Date: February 25, 2016
Time: 8:30 a.m.*
Place: Van Nuys City Hall
Council Chamber, 2nd Floor
14410 Sylvan Street
Van Nuys, CA 91401

Public Hearing: Required
Appeal Status: Not Appealable to City Council
Expiration Date: April 29, 2016
Multiple Approval: No

Case Nos.: CPC-2007-253-DA-M1
CEQA No.: ENV-2007-254-EIR
(SCH No. 2007071036)

Incidental Cases: None
Related Cases: CPC-2007-251-GPA-ZC-
SP-SPA-CA/CPC-2007-252-
AD

Council No.: 4 - David Ryu
2 - Paul Krekorian

Plan Area: Sherman Oaks-Studio City-
Toluca Lake-Cahuenga
Pass

Specific Plan: None
Certified NC: Hollywood Hills West
GPLU: Regional Center
Commercial
Zone: [Q]C2-1-SN

Initiated by: City of Los Angeles,
City Council Motion
Representative: Department of City Planning

PROJECT LOCATION: 100 Universal City Plaza

PROPOSED PROJECT: Amendment to Sec. 4.1.3.13 of the Development Agreement between the City of Los Angeles and Universal Studios, LLC (Ordinance No. 182,437; C-121996 adopted by City Council on February 5, 2013) pursuant to a council motion adopted by City Council on December 11, 2015 (CF 12-1657-S10), instructing the Department of City Planning to process an amendment to delete the fund deposit instructions for the Outpost Community Funds and the Cahuenga Boulevard Improvement Funds to now be paid directly to said neighborhoods by Universal Studios, including a refund of \$137,500 to Universal Studios already deposited with the City, as those funds will be paid directly to those neighborhoods by Universal Studios.

REQUESTED ACTION:

1. Pursuant to Section 21666 of the California Public Resources Code and the California Environmental Quality Act (CEQA) Guidelines section 15162, **FIND** on the basis of substantial evidence contained in the whole record, that since certification of the Environmental Impact Report of the Environmental Impact Report (EIR), ENV-2007-254-EIR (SCH No. 2007071036), on November 14, 2012, there have been no changes to the Project, changes with respect to the circumstances under which the Project is being undertaken, or new information of substantial importance concerning the Project, which cause new significant environmental effects or a substantial increase in the severity of previously identified significant effects, and therefore no additional environmental review is required for the Project;
2. Pursuant to Section 65868 (Amendment) and Sections 65864-65869.5 of the California Government Code and the City of Los Angeles' implementing procedures, **Approval** of

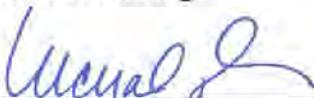
an Amendment of the Development Agreement between Universal Studios, LLC and the City of Los Angeles as approved by Ordinance No. 182,437 (CF 12-1657, CPC Case No. 2007-253-DA), dated February 5, 2013;

3. **Advise** the Applicant that, pursuant to the California State 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 cost of such monitoring; and
4. **Advise** the Applicant that, pursuant to the State Fish and Game Code Section 711.4, a Fish and Game Fee and/or Certificate of Fee Exemption will be required to be submitted to the County Clerk prior to or concurrent with any Environmental Notice of Determination filing, if a Notice of Determination is filed.

ACTIONS TO BE CONSIDERED BY THE CITY PLANNING COMMISSION:

1. **Recommend** that the City Council **FIND** on the basis of substantial evidence contained in the whole record, that since certification of the Environmental Impact Report of the Environmental Impact Report (EIR), ENV-2007-254-EIR (SCH No. 2007071036), on November 14, 2012, there have been no changes to the Project, changes with respect to the circumstances under which the Project is being undertaken, or new information of substantial importance concerning the Project, which cause new significant environmental effects or a substantial increase in the severity of previously identified significant effects, and therefore no additional environmental review is required for the Project;
2. **Approve** and Recommend that the City Council approve the amended Development Agreement between Universal Studios, LLC and the City of Los Angeles adopted by Ordinance No. 182,437 on February 5, 2013;
3. **Adopt** the attached Findings;
4. **Advise** the Applicant Property Owner that, pursuant to the California State 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 cost of such monitoring;
5. **Advise** the Applicant Property Owner that, pursuant to the State Fish and Game Code Section 711.4, a Fish and Game Fee and/or Certificate of Fee Exemption will be required to be submitted to the County Clerk prior to or concurrent with any Environmental Notice of Determination filing, if a Notice of Determination is filed.

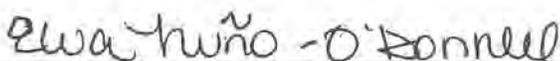
VINCENT P. BERTONI, AICP
Director of Planning



Luciralia Ibarra
Senior City Planner



Charles J. Rausch, Jr.
Associate Zoning Administrator



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***ADVICE TO PUBLIC:** *The exact time this report will be considered during the meeting is uncertain since there may be several other items on the agenda. Written communications may be mailed to the *Commission Secretariat, 200 North Spring Street, Room 532, Los Angeles, CA 90012* (Phone No. 213-978-1300). While all written communications are given to the Commission for consideration, the initial packets are sent out the week prior to the Commission's meeting date. If you challenge these agenda items in court, you may be limited to raising only those issues you or someone else raised at the public hearing agendized herein, or in written correspondence on these matters delivered to this agency at or prior to the public hearing. As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability, and upon request, will provide reasonable accommodation to ensure equal access to this programs, services and activities. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or other services may be provided upon request. To ensure availability of services, please make your request not later than three working days (72 hours) prior to the meeting by calling the Commission Secretariat at (213)978-1300.

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A copy of the previously certified Environmental Impact Report (ENV-2007-254-EIR) is available online at the Department of City Planning's Website [<http://planning.lacity.org> (click on "Environmental" and then "Final EIR")]

PROJECT ANALYSIS

Project Description

On December 11, 2015 (official action issued on December 17, 2015), the City Council approved a motion introduced by Councilman David Ryu, representing the 4th District, (attached herein as Exhibit C) to amend the Development Agreement between the City of Los Angeles and Universal Studios, LLC (Development Agreement), adopted by City Council on February 5, 2013 pursuant to Ordinance No 182,437 and as attested by the Los Angeles City Clerk on April 5, 2013 (effective date) under Contract No. C-121996. The intent of the motion is to expedite funding designated for the Outpost and Cahuenga Pass communities for improvements, protection and beautification within their respective communities in consultation with Council District 4. In addition, a refund in the amount of \$137,500 would be issued to Universal Studios, for funds already deposited with the City, for direct payment to the Outpost Homeowners Association and the Cahuenga Pass Property Owners Association.

Background

The NBCUniversal Evolution Plan was processed as a multi-jurisdictional project as it straddles both the City and County of Los Angeles. The City of Los Angeles, as the lead agency, processed the required entitlements within its jurisdiction and served as the lead agency for the environmental impact report (ENV-2007-254-EIR, State Clearinghouse No.2007071036). The approved entitlement package included a general plan amendment, zone change, sign district (CPC-2007-251-GPA-ZC-SP-SPA-CA) and an 18-year development agreement (Ordinance 182,437, CF 12-1267, CPC-2007-243-DA) which provides a maximum 1,229,141 square feet of development. The entitlement package also included an annexation/detachment (CPC-2007-252-AD, finalized in August 2015) of 3 acres of unincorporated territory for annexation to the City of Los Angeles and 29 acres of unincorporated territory for detachment to the County of Los Angeles.

In addition, the County of Los Angeles also processed an entitlement package within its jurisdiction which included a general plan amendment, a zone change, a specific plan and its own development agreement with Universal Studios LLC. Exhibit G of the County's Development Agreement included a provision for funding in the amount of \$100,000 to a City of Los Angeles segregated fund for improvements and beautification of Toluca Lake Estates Drive as determined by the Toluca Estates Drive Homeowners Association. The fund was to be administered by the City in consultation with Council District 4.

Disbursement of funds, as stipulated in the Section 4.1.3.13 of the City's Development Agreement, requires the Property Owner (Universal Studios) to provide \$50,000 in funding for neighborhood protection for the Outpost Community and \$200,000 for neighborhood improvements and beautification for Cahuenga Boulevard. These funds were to be provided in four (4) equal annual installments (\$62,500 each) beginning with the issuance of the first City or County building permit for the construction of new floor area. The funds were to be administered by the City of Los Angeles, i.e. the City Clerk's office, in consultation with Council District 4.

To date, Universal Studios has made several deposits totaling \$137,000 in accordance with Section 4.1.3.13. These funds were accepted for deposit by the adoption of multiple City Council motions commencing on September 23, 2014 (C12-1657-S7). However, upon acceptance of these funds for deposit into City accounts, for all intents and purposes, the funds were now subject to the City's administrative rules and regulations. The City Clerk (Clerk)

became the administrator of the funds and responsible for the oversight of community project development.

Subsequently, the Clerk informed the Department of City Planning the expenditure of funds would be a timely process. Further the Clerk did not have the resources or construction expertise to oversee these community projects. Although the City Council presented a motion on July 29, 2014 (CF 12-1657-S6) to release funds to the Outpost Homeowners Association for implementation of their proposed protection project, no funds have been released to date due to the complexities of City regulations and lack of staff. This situation created a conundrum for the Clerk who had every intention of releasing the earmarked funds to the community, but was compelled into implementing complex regulations. To exacerbate the situation, the one staff person with the Clerk's office who was most intimate with this situation retired in November 2015.

After meeting with multiple City departments it became clear that the crux of the matter centered on the language in Section 4.1.3.13. If the language had been written to require Universal Studios to make *direct* payments to the communities referenced in the DA, with consultation with Council District 4, payments could have been made immediately in accordance with the Development Agreement and with verification provided to the Department of City Planning. As a matter of fact, since the Department of City Planning became aware of this particular issue, development agreements providing funding for specific community purposes are now written to assure direct payment to those community organizations or entities identified in the document.

Therefore, based on advice from the City's Office of the City Attorney, the proper process to resolve the crux of the matter, which is the specific language in Section 4.1.3.13, is to amend said section in the First Amendment to the Development Agreement. The proposed amended language is discussed in the following section.

Discussion

As indicated in **Table 1** below, several installments have been deposited into appropriate funds by Universal Studios as accepted by council motion.

Table 1				
Community	1st Installment	2nd Installment	3rd Installment	Total
Outpost	\$12,500.00	\$12,500.00	\$12,500.00 ¹	\$37,500.00
Cahuenga Pass	\$50,000.00	\$50,000.00	Pending ²	\$100,000.00
Total	\$62,500.00	\$62,500.00	\$12,500.00	\$137,500.00

The Outpost Community Homeowners Association was incorporated as a non-profit organization on May 26, 1967. According to the *Los Angeles Times*, "the Outpost community covers approximately 1-1/2 square miles bordered by Mulholland Drive to the north (including Macapa Drive), Franklin Canyon to the south, Runyon Canyon Park to the west and Cahuenga Boulevard to the east (marked by Hollywood Bowl)."³

¹ On December 18, 2013, the City Council adopted a motion (CF 12-1657-S3) to accept the combined first and second installment of \$25,000 (\$12,500 each) from Universal for the Outpost Community for neighborhood protection thereby expediting the installment schedule. The subsequent third installment was accepted by council motion as adopted on September 23, 2014 (CF 12-1657-S7).

² The third installment for the Cahuenga Pass would have been due at the time the motion to amend the deposit instructions in the development agreement was adopted. Payment was placed hold until resolution of the amendment.

³ Los Angeles Times, December 10, 2006.

The Cahuenga Pass Property Owners Association was incorporated in 1952 as a 501(c)(4) non-profit California Mutual Benefit Corporation Incorporated for Residents and Property Owners in the Cahuenga Pass, including business owners. Their website identifies its boundaries as "Commencing at the intersection of Ventura Boulevard and Lankershim Boulevard (where Cahuenga Boulevard West becomes Ventura Boulevard) and continuing northwesterly along Ventura Boulevard up (numerically) to 10900 Ventura Boulevard, then southwesterly, then southeasterly along Fruitland Drive, then southerly along Vineland Avenue, then southwesterly along Wrightwood Drive, including the entirety of Wrightwood Place to the northwest and Wrightview Place and Wrightview Drive to the west, until Wrightwood Drive ends at Mulholland, then easterly along Mulholland Drive to Hillpark Drive, then easterly along Hillpark Drive to Cahuenga Boulevard West, then northwesterly to the point of commencement. The Community shall include the area within the boundaries and any and all parcels contiguous to any boundary street."⁴

As noted above, both the Outpost Homeowners Association (Outpost) and Cahuenga Pass Property Owners Association (Cahuenga Pass) are well-established community organizations which have proposed protection and improvement/beautification projects in coordination with Council District 4. The community protection measures proposed by Outpost have been identified as center islands on Outpost Drive at the intersection with La Presa, Chelan and Mulholland. A B-Permit (Design Phase) was issued on November 25, 2014 which expires on November 25, 2016. Cahuenga Pass has prepared a conceptual neighborhood improvement and beautification plan which builds upon the Studio City/Cahuenga Pass Streetscape Plan and Design Guidelines approved by the City Planning Commission on May 22, 2002 and includes traffic calming measures, new median improvements, crosswalks and sidewalk improvements, as well as cost estimates. Both associations have closely coordinated their protection and improvement/beautification projects in consultation with Council District 4; as required by the Development Agreement. Council District 4 has confirmed their support for the proposed projects to the Department of City Planning staff.

In order to expedite funding for the above-referenced community projects, an amendment to Section 4.1.3.13 is proposed as follows (see Exhibit B-1 for complete technical edits to effectuate the amended language):

"4.1.3. Additional Obligations of Property Owner as Consideration for this Agreement. In addition to the obligations identified in Section 4.1.1, Property Owner shall perform the Public Benefits or cause the Public Benefits to be performed as described below:

13. ~~Property Owner shall provide funding in the amount of \$250,000 to a City segregated fund for neighborhood protection for the Outpost community (in the amount of \$50,000); and (ii) neighborhood improvements and beautification for Cahuenga Boulevard (in the amount of \$200,000). The segregated funds shall be administered the City in consultation with Council District 4 by way of dated letters from Universal Studios to the Outpost and Cahuenga Communities, along with a copy of the check in the installment amounts prescribed herein. The \$250,000 shall be paid in 4 equal annual installments of \$62,500 with the first installment to be paid upon issuance of the first City building permit for construction of new floor area (not including sets/facades, interior modifications, or temporary uses) within the Property or upon issuance of the first County building permit for construction of new floor area (not including sets/facades, interior modifications or temporary uses) pursuant to the necessary County entitlements of the Evolution Plan."~~

⁴ www.cppo.org; accessed February 5, 2016.

- "13. Property Owner shall provide funding in the amount of \$250,000 to designated neighborhood organizations as follows: (i) for neighborhood protection for the Outpost community, the amount of \$50,000 payable to the Outpost Homeowner's Association; and (ii) for neighborhood improvements and beautification for Cahuenga Boulevard, the amount of \$200,000 payable to the Cahuenga Pass Property Owner's Association."

"Refund of previously Deposited Funds. Property Owner shall provide the funding to the designated organizations set for in Section 4.1.3.13 no later than upon thirty (30) days following the Amendment Date. City shall reimburse to Universal funds held by the City in the amount of \$137,500, previously deposited by Property Owner, for neighborhood protection in the Outpost community and neighborhood improvements and beautification for Cahuenga Boulevard, pursuant to motions previously approved by City Council (CF 12-1657-S3 and CF 12-1657-S7). Property Owner shall provide to City written evidence of the payment to designated organizations within 30 days of the payment by Property Owner."

The proposed amendment would provide full payment of the funds identified in Section 4.1.3.13 noted above within 30 days following the amendment date (City Clerk attestation) rather than deferring payments in installments. This would include the "pending" installment identified in **Table 1** above. Facilitating the availability of funds will allow Outpost and Cahuenga Pass Communities to readily implement public benefit projects which these communities have worked diligently to complete and are anxious to see them come to fruition. In addition to providing full payment of funds rather than installments, any monies already deposited with the City, would be refunded to Universal Studios for immediate and direct payment to both Outpost and Cahuenga Pass Communities.

As a point of reference, Toluca Lake Estates, within the City of Los Angeles, was designated to receive \$100,000 from Universal Studios pursuant to the County's Development Agreement. Although the City Council accepted the funds for deposit, this action created the same issue of the administration of funds and community project oversight. Given the County Development Agreement was not within the purview of the Los Angeles City Clerk's office, a motion was adopted by the City Council to "refund \$100,000 and delete fund deposit instructions for Toluca Lake Estates, inasmuch as this community benefit amount is to be paid directly by NBCU Universal to the Toluca Lake Estates Drive Homeowner's Association." A check was refunded to Universal Studios LLC on May 15, 2015 whereby Universal submitted a check to the community of Toluca Lake Estates on July 10, 2015.

Annual Reports:

Pursuant to Section 5 of the Development Agreement, Universal Studios has submitted two annual reports in good faith compliance with the provisions of the terms of the Development Agreement. Universal Studios has provided these annual reports in a timely manner and with due diligence. These reports have been incorporated into the case file

If the First Amendment to the Development Agreement is approved, documentation will be provided by Universal Studios of direct payment to the Outpost and Cahuenga Pass Communities which will be submitted with future annual reports.

Public Outreach/Inquiries:

In accordance with Section 12.32 of the LAMC and California Government Code Section 65867, notification was provided in the manner of hearing notice mail-out of approximately 2,731 notices within a 500 foot radius of the Project Site. At the preparation of this report eight (8) public inquiries were handled by the project planner. Although most of the callers requested additional clarification of the amendment, no opposition to the proposed amendment was expressed by any of the callers. One caller did request the contact information for both Universal Studios and the County of Los Angeles Regional Planning Department. The information was promptly provided to the caller.

Environmental Impact Report

The NBCUniversal Evolution Plan included Environmental Impact Report (EIR), ENV-2007-254-EIR (SCH No. 2007071036) which was certified by the City Council on November 14, 2012, and included the adoption of the Mitigation Monitoring Program and Statement of Overriding Considerations.

As background to the environmental process, the City of Los Angeles served as the lead agency on the EIR and issued a Notice of Preparation on July 10, 2007 and reissued a second notice on July 19, 2007 with a 30-day review period. A public scoping meeting was held on August 1, 2007. The Draft EIR was released for a 61-day review period beginning on November 4, 2010. The close of the comment period was subsequently extended to a 93-day public comment period to February 4, 2011. The Final EIR was completed on July 16, 2012 and circulated to public agencies for a 10-day review period prior to the public hearing and certification of the Final EIR.

Therefore, pursuant to Section 21666 of the California Public Resources Code and the California Environmental Quality Act (CEQA) Guidelines section 15162, on the basis of substantial evidence contained in the whole record, since certification of the Environmental Impact Report of the Environmental Impact Report (on November 14, 2012), there have been no changes to the Project, changes with respect to the circumstances under which the Project is being undertaken, or new information of substantial importance concerning the Project, which cause new significant environmental effects or a substantial increase in the severity of previously identified significant effects, and therefore no additional environmental review is required for the Project.

The Property Owner has been advised that the City will continue to monitor the MMP and any required mitigation measures. A statement of overriding consideration was also adopted and the circumstances of amending the language in the Development Agreement to expedite public benefit obligations by Universal Studios to the Outpost and Cahuenga Pass Communities has no bearing on either of these documents as the proposed amended language only relates to an administrative process. As such, the First Amendment of the Development Agreement will not create any new environmental impacts and therefore, no additional environmental review is warranted.

Conclusion/Recommendation

Therefore, after careful consideration of the Council-initiated motion to amend the Development Agreement between the City of Los Angeles and Universal Studios LLC, the Department of City Planning recommends the City Planning Commission approve and recommend that the City Council approve the First Amendment to the Development Agreement in order to expedite funding for the implementation of community protection, improvements, and beautification, respectively, for the Outpost and Cahuenga Pass Communities. All other terms and conditions of the Development Agreement shall remain unchanged.

FINDINGS

1. Pursuant to State Government Code Section 65868, and Section 7.8 of the City of Los Angeles and Universal Studios LLC Development Agreement, a development agreement may be amended by mutual consent of the parties. A motion was adopted by City Council on December 11, 2015 instructing an amendment (official action of the City Council issued on December 17, 2015). Universal Studios has provided documentation verifying their consent to the amendment.
2. The City of Los Angeles ("City") has adopted rules and regulations establishing procedures and requirements for consideration of development agreements under Citywide Development Agreement Procedures (CF 85-2313-S3). In addition, on November 19, 1992, the City Planning Commission adopted new guidelines for the processing of development agreement applications (CPC No. 86-404 MSC).
3. In accordance with Section 12.32 of the LAMC and California Government Code Section 65867, notification in the form of approximately 2,731 notices, within a 500 foot radius of the Project Site, were mailed out on January 25, 2016 to all occupants and property owners, neighborhood council and others as identified in the mailing affidavit located in the administrative record. Further, notice of the public hearing was also published in the Daily Journal on January 28, 2016; verification of which is provided in the administrative record. In accordance with Section 12.32 C 4(c), posting for the site is not required for the public hearing as this First Amendment was initiated by the City Council and not an applicant.
4. Pursuant to Section 65867.5 of the Government Code, the proposed First Amendment to Development Agreement is consistent with the objectives, policies, and programs specified in the City of Los Angeles General Plan, including the Sherman Oaks-Studio City-Toluca Lake-Cahuenga Pass Community Plan adopted by City Council on May 13, 1988 (CF 97-0704). Orderly development of the Project Site is further governed by Zone Change Ordinance 182,231 ([Q]C2-1-SN) and a general plan amendment (Regional Commercial) adopted by resolution on November 14, 2012 by the City Council. The Project Site is not located within a City controlled specific plan.
5. The Transportation Element of the General Plan (adopted by City Council on January 16, 2016) will not be affected by the recommended action herein. The amendment request is to amend the deposit instructions in Section 4.1.3.13 of the Development Agreement. This amendment is administrative and technical in nature and will have no impact on the previously approved project under Environmental Impact Report ENV-2007-254-EIR (State Clearinghouse No. 2007971036) certified by the City council on November 14, 2012 or the Transportation Element of the General Plan. The scope of the project has not changed. The proposed First Amendment to Development Agreement will not be detrimental to the public health, safety and general welfare. Approval of the First Amendment to Development Agreement will promote the expeditious delivery of public benefit monies directly from Universal Studios LLC to the Outpost and Cahuenga Pass Communities and is therefore consistent with the Transportation Element.
6. The proposed First Amendment to Development Agreement complies in form and substance with all applicable City and State regulations governing development agreements.

7. Based upon the above Findings, the proposed First Amendment to Development Agreement is deemed consistent with public necessity, convenience, general welfare and good zoning practice.

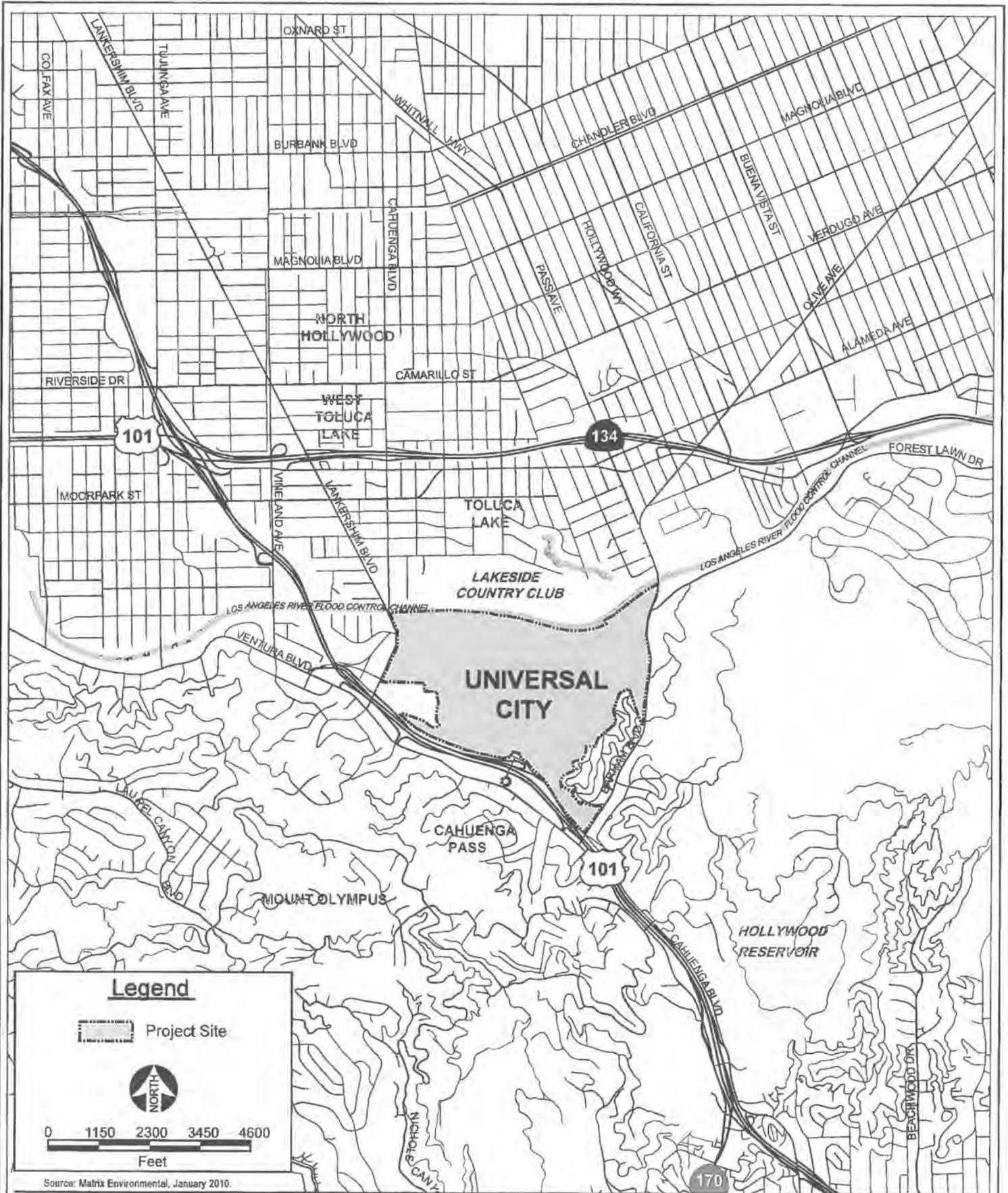
8. **CEQA FINDINGS**

On the basis of substantial evidence contained in the whole record, that since certification of the Environmental Impact Report of the Environmental Impact Report (EIR), ENV-2007-254-EIR (SCH No. 2007071036), on November 14, 2012, (including adoption of the Mitigation and Monitoring Program and Statement of Overriding Consideration) there have been no changes to the Project, changes with respect to the circumstances under which the Project is being undertaken, or new information of substantial importance concerning the Project, which cause new significant environmental effects or a substantial increase in the severity of previously identified significant effects, and therefore no additional environmental review is required for the Project. Further, pursuant to the California State Public Resources Code Section 21081.6, the Property Owner (Universal Studios LLC) has been advised that the City shall continue to 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 cost of such monitoring.

The documents and other materials that constitute the record of proceedings on which the City of Los Angeles' CEQA Findings are based are located at the Department of City Planning, Environmental Review Section, 200 North Spring Street, Room 750, Los Angeles California 90012. This information is provided in compliance with CEQA Section 21081.6 (a)(2).⁵

⁵ See comprehensive California Environmental Quality Act Findings and Statement of Overriding Considerations located in the administrative file (Case Nos. CPC-2007-251-GPA-ZC-SP-SPA-CA, ENV-2007-254-EIR, CPC-2007-252-AD and CPC 2007-253-DA) at the Department of City Planning, Environmental Review Section, 200 North Spring Street, Los Angeles, CA 90012.

Exhibit A1



Legend

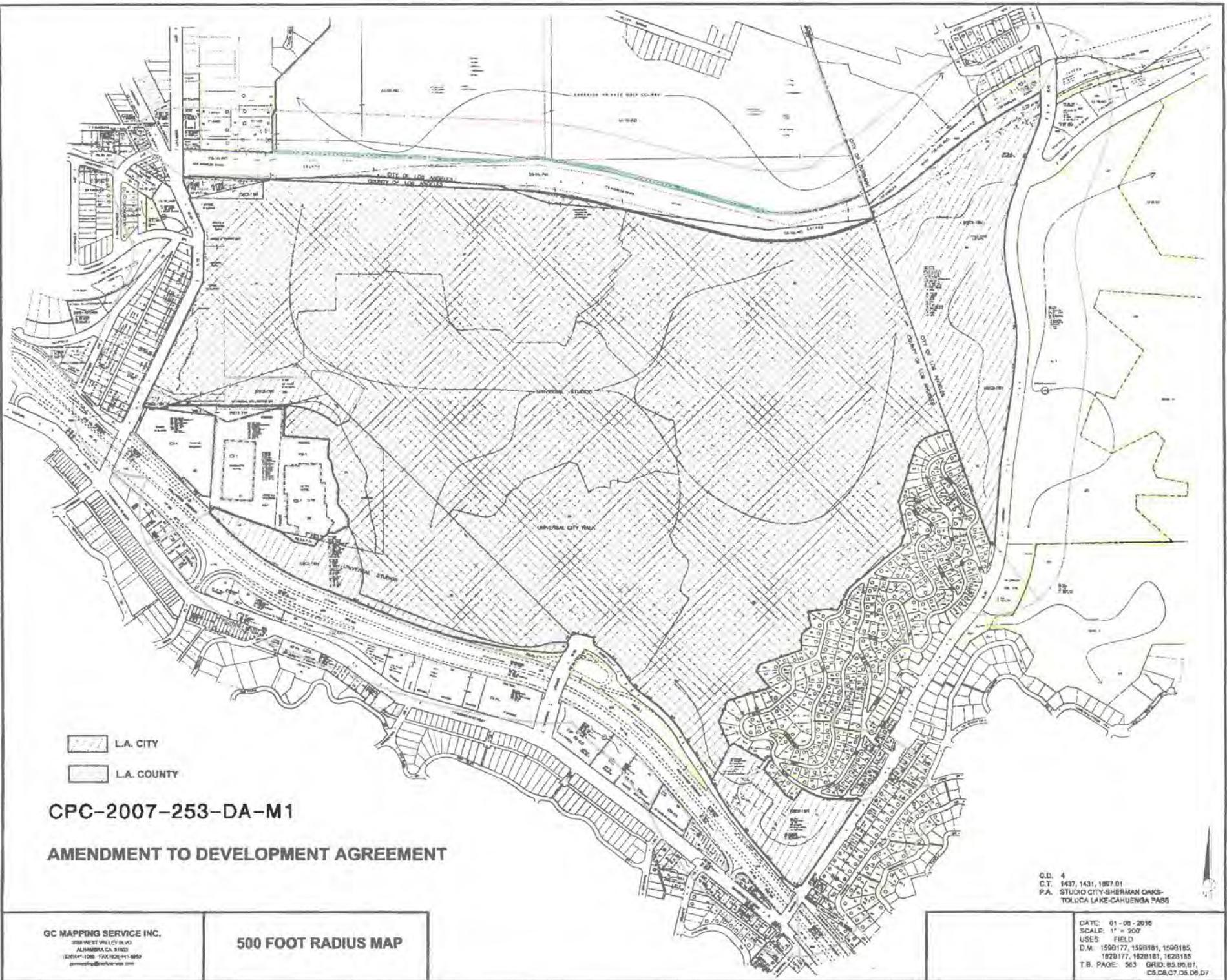
 Project Site



0 1150 2300 3450 4600

Feet

Source: Matrix Environmental, January 2010.



□ L.A. CITY
□ L.A. COUNTY

CPC-2007-253-DA-M1
AMENDMENT TO DEVELOPMENT AGREEMENT

GC MAPPING SERVICE INC.
300 WEST VALLEY BLVD
ALHAMBRA, CA 91803
(626) 441-1000 FAX (626) 441-8850
gsmapping@earthlink.net

500 FOOT RADIUS MAP

C.D. 4
C.T. 1437, 1431, 1987.01
P.A. STUDIO CITY-SHERMAN OAKS-
TOLUCA LAKE-CAHUENGA PASS

DATE: 01-08-2010
SCALE: 1" = 200'
USES: FIELD
D.M. 1590177, 1590181, 1590185,
1920177, 1920181, 1920185
T.B. PAGE: 563 GRID: 85.98.07,
C5,C6,C7,C8,D6,D7

Exhibit B1

**FIRST AMENDMENT TO
DEVELOPMENT AGREEMENT**

by and between

THE CITY OF LOS ANGELES

and

UNIVERSAL STUDIOS LLC

dated as of

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

This First Amendment to Development Agreement (“First Amendment”) is executed this _____ day of _____, 2016, by and between the CITY OF LOS ANGELES, a municipal corporation (“City”), and Universal Studios LLC, a Delaware Limited Liability Company (“Universal” or the “Property Owner”) pursuant to California Government Code Section 65864 *et seq.*, and the implementing procedures of the City, with respect to the following:

RECITALS

WHEREAS, the City and Universal entered into that certain Development Agreement (C-121996; CF 12-1657; CPC Case No. 2007-253-DA) dated April 5, 2013, and recorded on April 10, 2013, in the Official Records of Los Angeles County, State of California as Instrument No. 20130533327 (the “Agreement”) after adoption by the City Council of Ordinance No. 182,437 on February 5, 2013; and

WHEREAS, the Agreement governs the expansion and development of certain real property owned by Property Owner within the City (commonly known as Universal City); and

WHEREAS, the Agreement provides for the implementation of public benefits above and beyond the necessary mitigation for the project, including funding in the amount of \$250,000 in 4 equal annual installments of \$62,500 to a City segregated fund for neighborhood protection for the Outpost community (in the amount of \$50,000); and (ii) neighborhood improvements and beautification for Cahuenga Boulevard (in the amount of \$200,000), pursuant to Section 4.1.3.13 of the Agreement; and

WHEREAS, Universal has deposited funds totaling \$137,500 into said City segregated fund for the implementation of the aforementioned public benefits; and

WHEREAS, the City and Universal desire to expedite the implementation of the neighborhood projects contemplated under Section 4.1.3.13 of the Agreement, such that Universal will immediately provide the \$250,000 in funds required under Section 4.1.3.13 directly to the respective neighborhood communities, and the City wishes to reimburse Universal for the \$137,500 in funds deposited.

AGREEMENT

NOW, THEREFORE, pursuant to the authority contained in the Development Agreement Act, as it applies to the City, and in consideration of the mutual promises and covenants herein contained and other valuable consideration the receipt and adequacy of which the Parties hereby acknowledge, the Parties mutually agree to amend the Agreement as follows:

1. Incorporation into Agreement. This First Amendment is hereby incorporated into the Agreement such that the references to the “Agreement” or the “Development Agreement” in the Agreement’s text shall hereafter also include this First Amendment. Unless otherwise set forth or modified herein, all capitalized terms used in this First Amendment shall have the same meaning as provided in the Agreement.

2. Definition. The following definition shall apply in the Agreement and this First Amendment:

a. **Amendment Date.** The "Amendment Date" means the date on which this First Amendment is attested by the City Clerk of the City of Los Angeles after execution by the Property Owner and the Mayor of the City of Los Angeles.

3. Amendment to Section 4.1.3.13. Section 4.1.3.13 is hereby amended and restated in full as follows:

"13. Property Owner shall provide funding in the amount of \$250,000 to designated neighborhood organizations as follows: (i) for neighborhood protection for the Outpost community, the amount of \$50,000 payable to the Outpost Homeowners Association; and (ii) for neighborhood improvements and beautification for Cahuenga Boulevard, the amount of \$200,000 payable to the Cahuenga Pass Property Owners Association."

4. Refund of Previously Deposited Funds. Property Owner shall provide the funding to the designated organizations set forth in Section 4.1.3.13 no later than upon thirty (30) days following the Amendment Date. City shall reimburse to Universal funds held by the City in the amount of \$137,500, previously deposited by Property Owner, for neighborhood protection in the Outpost community and neighborhood improvements and beautification for Cahuenga Boulevard, pursuant to motions previously approved by the City Council (CF 12-1657-S3 and CF 12-1657-S7). Property Owner shall provide to City copies of (a) the letters transmitting the payments to the designated organizations and (b) the checks made out to the designated organizations within 30 days of Property Owner making such payments.

5. Recordation. As provided in Government Code Section 65868.5, a copy of this First Amendment shall be recorded with the Registrar-Recorder of the County of Los Angeles within ten (10) days following the Amendment Date. Property Owner shall provide the City Clerk with the fees for such recording prior to or at the time of such recording should the City record the First Amendment.

6. Other Terms and Conditions. All other terms and conditions of the Agreement shall remain unchanged.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to the Agreement to be executed by their duly authorized representatives:

CITY OF LOS ANGELES, a municipal corporation of the State of California

APPROVED AS TO FORM:

MIKE FEUER, City Attorney

By: _____
Eric Garcetti, Mayor

By: _____
Laura Cadogan Hurd, Deputy City Attorney

Date: _____

Date: _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: _____
[], Deputy Clerk

Date: _____

UNIVERSAL STUDIOS LLC, a Delaware limited liability company

By: _____
Corinne Verdery
Chief Real Estate Development Officer

Date: _____

APPROVED AS TO FORM:

By: _____
George J. Mhlsten, Latham & Watkins LLP

Exhibit B2

ORDINANCE NO. _____

An ordinance authorizing the execution of an amendment to the Development Agreement by and between the City of Los Angeles (City) and Universal Studios LLC, adopted by Ordinance No. 182,437, relating to real property in the Sherman Oaks-Studio City-Toluca Lake-Cahuenga Pass Community Plan area and located at 100 Universal City Plaza, Studio City, California 91608.

WHEREAS, the City and Universal Studios LLC entered into that certain Development Agreement dated April 5, 2013 (C-121996; CF 12-1657, CPC Case No. 2007-253-DA), and recorded on April 10, 2013, in the Official Records of Los Angeles County, State of California as Instrument No. 20130533327 (Development Agreement), after adoption by the City Council of Ordinance No. 182,437 on February 5, 2013;

WHEREAS, the Development Agreement required Universal Studios to provide payments to a City segregated fund in amounts totaling \$250,000 for funding of public benefit improvements in the Outpost community and for Cahuenga Boulevard;

WHEREAS, on December 11, 2015, the City Council approved a motion (CF 12-1657-S10) initiating an amendment to the Development Agreement to enable Universal Studios to pay for the public benefits allocated to the Outpost and Cahuenga Boulevard communities directly to the Outpost Homeowners Association and Cahuenga Pass Property Owners Association, respectively, and to reimburse Universal any amounts previously deposited into City segregated funds held for such public benefit improvements (the Amendment);

WHEREAS, the Amendment is hereby incorporated by reference into the provisions of this ordinance;

WHEREAS, after due notice, the City Planning Commission and the City Council did conduct public hearings on this matter;

WHEREAS, pursuant to California Government Code Sections 65864, *et seq.*, the City Planning Commission has transmitted to City Council its findings and recommendations;

WHEREAS, the Amendment is in the public interest and is consistent with the City's General Plan, including the Sherman Oaks-Studio City-Toluca Lake-Cahuenga Pass Community Plan; and

WHEREAS, the City Council has reviewed and considered the Amendment and the findings and recommendations of the City Planning Commission.

NOW, THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The City Council finds, with respect to the Amendment, that:

(a) It is consistent with the objectives, policies and programs specified in the General Plan, including the Sherman Oaks-Studio City-Toluca Lake-Cahuenga Pass Community Plan, and is compatible with the uses authorized in, and the regulations prescribed for, the specific plan and zone in which the real property is located;

(b) It will not be detrimental to the public health, safety and general welfare because it encourages the construction of a project that is desirable and beneficial to the public;

(c) It complies with all applicable City and State regulations governing development agreements;

(d) It is necessary to strengthen the public planning process and to reduce the public and private costs of development uncertainty.

Section 2. The City Council hereby approves the Amendment and authorizes and directs the Mayor to execute the Amendment in the name of the City of Los Angeles.

Section 3. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of _____.

HOLLY L. WOLCOTT, City Clerk

By _____

Deputy

Approved _____

Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By _____
Laura Cadogan Hurd, Deputy City
Attorney

Date _____

File No. 12-1657-S10

HOLLY L. WOLCOTT
CITY CLERK

GREGORY R. ALLISON
EXECUTIVE OFFICER

City of Los Angeles
CALIFORNIA



ERIC GARCETTI
MAYOR

OFFICE OF THE
CITY CLERK

Council and Public Services Division
200 N. SPRING STREET, ROOM 395
LOS ANGELES, CA 90012
GENERAL INFORMATION - (213) 978-1133
FAX: (213) 978-1040

SHANNON HOPPE
DIVISION MANAGER

CLERK.LACITY.ORG

When making inquiries relative to
this matter, please refer to the
Council File No.: [12-1657-S10](#)

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

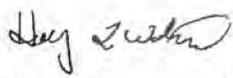
December 17, 2015

Council File No.: [12-1657-S10](#)
Council Meeting Date: December 11, 2015
Agenda Item No.: 15
Agenda Description: CONSIDERATION OF MOTION (RYU - HUIZAR) relative to initiating an amendment to the Development Agreement between Universal Studios LLC and the City.

Council Action: MOTION (RYU - HUIZAR) ADOPTED

Council Vote:

YES	BOB BLUMENFIELD
YES	MIKE BONIN
YES	JOE BUSCAINO
ABSENT	GILBERT A. CEDILLO
YES	MITCHELL ENGLANDER
YES	FELIPE FUENTES
YES	MARQUEECE HARRIS-DAWSON
YES	JOSE HUIZAR
YES	PAUL KORETZ
ABSENT	PAUL KREKORIAN
YES	NURY MARTINEZ
YES	MITCH O'FARRELL
YES	CURREN D. PRICE
YES	DAVID RYU
YES	HERB WESSON


HOLLY L. WOLCOTT
CITY CLERK

MOTION PLANNING & LAND USE MANAGEMENT

Pursuant to the terms of a Development Agreement approved in 2013 between the City and Universal Studios LLC (Ordinance No. 182,437, CF 12-1657, CPC Case No. 2007-253-DA) related to the development of the NBCUniversal Evolution Plan, Universal Studios must provide \$50,000 in funding for neighborhood protection for the Outpost community and \$200,000 in funding for neighborhood improvements and beautification for Cahuenga Boulevard. Both the Outpost community and the Cahuenga Boulevard area are in Council District 4.

The Development Agreement states that funds for such public benefits for Council District 4 communities are to be paid in four equal annual installments into a segregated fund administered by the City in consultation with Council District 4.

Pursuant to the Development Agreement, the City Council has approved motions to accept \$137,500 in installment payments from Universal Studios for Council 4 neighborhood public benefits (CF 12-1657-S3, CF 12-1657-S7). Those funds received from Universal Studios have been deposited in the "Universal - Outpost Protection" and "Universal - Cahuenga Improvements" Accounts in Council District Four Real Property Trust Fund No. 686.

The Outpost and Cahuenga Pass communities have worked hard with NBCUniversal over the past few years to develop plans for neighborhood projects, many of which are ready for construction, but do not have adequate funding. To properly fund such projects, the communities have requested the release of the funds deposited with the City under the Development Agreement; however, the City process to release the funds would require City personnel resources which would diminish the funds available to the communities and cause further delay.

Universal Studios is willing to facilitate the implementation of the neighborhood projects by immediately advancing the \$250,000 in funds required under the Development Agreement directly to the respective communities if the City agrees to process an amendment to the Development Agreement providing for payment of the \$250,000 directly to specified community organizations and reimbursement from the City for the \$137,500 in funds already deposited by Universal Studios.

I THEREFORE MOVE that the Council initiate an amendment to the Development Agreement between Universal Studios LLC and the City (and a corresponding ordinance) specifying that Universal Studios would pay the public benefits allocated to Council District 4 communities in Section 4.1.3(13) of the Development Agreement directly to those communities as follows:

- \$50,000 payable to the Outpost Homeowners Association; and
- \$200,000 payable to the Cahuenga Pass Property Owners Association.

I FURTHER MOVE that the Council direct (1) the Department of City Planning to process the amendment to the Development Agreement expeditiously and in consultation with Universal Studios; and (2) the City Attorney to prepare a draft ordinance and amendment to the Development Agreement in connection therewith.



DEC - 0 2015

I FURTHER MOVE that given the urgent need to distribute the above mentioned funds the Council make a finding of public benefit, as described herein, and make an exception to the City's Development Agreement Procedures (CF 85-2313-S3) to reduce from 24 days to the 10 days required by Section 65868 of the Government Code, the public hearing notice period for the Council's consideration of the amendment to the Development Agreement and corresponding ordinance.

I FURTHER MOVE that the Council Actions of December 18, 2013 (CF 12-1657-S3) and September 23, 2014 (CF 12-1657-S7) be AMENDED to reduce the overall amounts of the Universal Studios payments in those Actions by a total of \$137,500, and to delete the fund deposit instructions for the Outpost community funds and the Cahuenga Boulevard improvement funds, inasmuch as these community benefit amounts are to be paid directly by Universal Studios to those neighborhoods as specified herein. The deleted fund deposit instructions for such payments include:

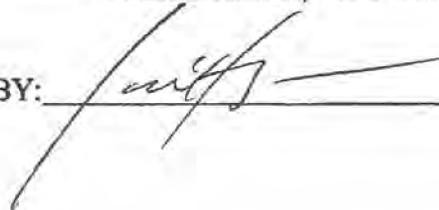
- \$37,500 (representing the first, second, and third of 4 equal installments) to the "Universal - Outpost Protection" Account in the Council District Four Real Property Trust Fund No. 686; and
- \$100,000 (representing the first and second of 4 equal installments) to the "Universal - Cahuenga Improvements" Account in the Council District Four Real Property Trust Fund No. 686.

I FURTHER MOVE that the City Clerk be authorized and directed to process a refund of \$137,500 to Universal Studios and that the Controller be requested and authorized to waive any procedural and administrative requirements in this matter and to process this payment as expeditiously as possible.

PRESENTED BY: _____


DAVID RYU
Councilmember, 4th District

SECONDED BY: _____



ORIGINAL