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File No. 043172-0005

VIA EMAIL

August 30, 2016

Planning and Land Use Management Committee
City of Los Angeles
200 N. Spring Street, Room 430
Los Angeles, CA 90012

Re: August 30, 2016, Agenda, Items 7 and 8: Paramount Pictures Master Plan Project (Council File Nos. 16-0876, 16-0876-S2)

Dear Chairman Huizar, Vice Chair Harris-Dawson, and Honorable Councilmembers:

On behalf of Paramount Pictures Corporation, we request your approval of the City Planning Commission Determinations for the Paramount Pictures Master Plan with the following modifications and technical corrections.

Paramount Pictures Specific Plan

1. Approve the Planning Department's proposed technical corrections to the Specific Plan included in the Planning Department transmittal to the City Clerk's office dated August 26, 2016.
2. Approve the additional changes set forth in Attachment A to this letter, which:
 - a. Provide that minor additions (net increase of less than 15,000 square feet) are not "Projects" that require "Administrative Clearance" under the Specific Plan. As a working studio, Paramount often has to make minor additions and changes to structures on a time sensitive basis. Going through the Administrative Clearance process could impact Paramount's operations for changes that are minor.
 - b. Correct the Channel Letter Sign requirements in response to other changes made by the Planning Department to the Signage Regulations.
3. Direct the Planning Department to attach to the Specific Plan the most current version of the Historic Resources Preservation Plan, which includes additional provisions related to construction near the KCAL building, with any necessary formatting edits to the text and figures.

Public Benefits and Development Agreement

1. Revise the timing of payments and make other clarifications to the public benefits identified in Attachment B to this letter, which reflect discussions with Councilmembers O'Farrell and Ryu, respectively.
2. Allow that the property may be transferred, but not the Development Agreement, without the City's consent. Provide that the City's reasonable consent is required for transfer of Paramount's rights and obligations under the Development Agreement, and allow for certain limited transfers of the Development Agreement without prior consent. Proposed changes are set forth in Attachment B to this letter.
3. Direct the Planning Department to include figures of the Proposed Preferential Parking District figures as attachments to the Development Agreement, consistent with the description of the districts in the public benefits section of the Agreement.

Mitigation Monitoring Program (MMP)

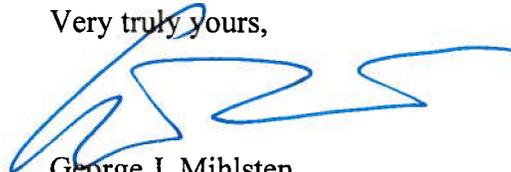
1. Clarify the Project Design Features and Mitigation Measures as set forth in Attachment C to this letter in response to recent comments and changes made to the Specific Plan.

Findings

1. Direct the Planning Department to update the CEQA Findings and Statement of Overriding Considerations and other Findings included in the Council File consistent with this Committee's actions.

We very much appreciate your consideration of the Paramount Pictures Master Plan. We respectfully request that you recommend approval to the City Council consistent with the City Planning Commission's unanimous recommendation together with the requested changes as detailed in this letter and Attachments A-C.

Very truly yours,



George J. Mhlsten
of LATHAM & WATKINS LLP

Attachments

cc: Sharon Keyser, Paramount Pictures

ATTACHMENT A

Requested Edits to Proposed Specific Plan

Section 2.3. DEFINITIONS.

...

Project. The construction, erection, addition to or structural alteration or modification of any building or structure, or use of building or land, or change of use of a building or land located within the Specific Plan Area that requires the issuance of a grading permit, foundation permit, building permit or use of land permit, and which individually results in a net increase in Floor Area greater than 15,000 square feet, or the construction of or addition to a parking structure, after the effective date of this Specific Plan.

Section 9.7. STANDARDS FOR SPECIFIC TYPES OF SIGNS

...

E. Channel Letter Signs.

1. **Maximum Number of Signs.** There is no limitation on the number of Channel Letter Signs. ~~shall be regulated by the limitations on Identification and Information Signs.~~

2. **Sign Area.** The Sign Area for an individual Channel Letter Signs shall not exceed 500 square feet ~~be regulated by the limitations on Identification and Information Signs.~~

Section 10.1. ADMINISTRATIVE CLEARANCE

...

C. Exceptions. An Administrative Clearance, as provided by Subsections 10.1.A and 10.1.B, shall not apply to

...

3. Interior remodeling, including the repair, replacement or modification of existing buildings or structures, or change of use of a building or land or relocation of existing uses, that do not increase the Floor Area of the existing building or structure by more than 10 percent but not to exceed 15,000 square feet.

ATTACHMENT B

Requested Edits to Draft Development Agreement

2.3.1 Public Benefits.

Revise Public Benefits to provide:

(a) CD 13 Public Improvement Fund: The Developer shall provide funding in the amount of \$5 million dollars to the City of Los Angeles Council District 13 Public Improvement Fund towards streetscape improvements in the vicinity of the Property, to include, but not be limited to, Melrose Avenue and Santa Monica Boulevard. The \$5 million dollars shall be paid as follows: \$1 million to be paid within the first 3 years from the Effective Date of this Agreement or upon issuance of a building permit for a building that individually or cumulatively exceeds 173,000 square feet of floor area (not including sets, facades, interior modifications, temporary uses or parking structures), whichever comes first; the remaining \$4 million to be paid in equal installments of \$400,000 each, with each installment to be paid at the subsequent issuance of a building permit for a building that individually or cumulatively exceeds an additional 173,000 square feet of floor area (not including sets, facades, interior modifications, temporary uses or parking structures).

(b) Preschool Education (Foundation for Early Childhood Education, Inc.): Developer shall continue to charge \$0.00 rent to the Foundation for Early Childhood Education, Inc. ("Foundation") for the lease of the property located at 5807 Gregory Avenue for the Foundation's Head Start program, for a period of 5 years from the Effective Date of this Agreement. The Foundation shall pay its own utilities and maintenance and the lease shall include other mutually agreeable lease terms and may be terminated by Developer at the end of the five years. Should the Developer choose to develop the 5807 Gregory Avenue property for its own use prior to the end of the five-year lease term, the Developer shall pay \$300,000 per year for the remaining portion of the five-year lease period to the Foundation for the Foundation to lease another property for its Head Start program. Should the Foundation voluntarily end its use of the 5807 Gregory Avenue property for its Head Start program within the five-year period, the Developer shall pay \$300,000 per year for the remaining portion of the five-year period to the City of Los Angeles Council District 13 Public Improvement Fund. Evidence of the Foundation's voluntary relocation shall be provided to the City Planning Department in the form of a letter from the Executive Director of the Foundation or other person with signing authority for the Foundation on Foundation letterhead specifying the date of voluntary relocation.

(c) Preferential Parking District I: At such time as a Preferential Parking District is approved by the City, Developer shall pay \$10,000 to the City of Los Angeles Department of Transportation towards the Preferential Parking District for the following streets: Camerford Avenue on the south, Gower Street on the east, Gregory Avenue on the north, and El Centro Avenue on the west. The \$10,000 shall be used to fund one individual residential parking permit per household for a two-year term. As part of the Developer's annual reporting obligations under this Agreement, the Developer shall provide a copy of the receipt of the payment of the \$10,000 to the Department of City Planning.

(d) Preferential Parking District II: At such time as a Preferential Parking District is approved by the City, Developer shall pay \$10,000 to the City of Los Angeles Department of Transportation towards the Preferential Parking District for the following streets: Melrose Avenue on the south, Ridgewood Place on the east, Lemon Grove Avenue on the north, and Van Ness Avenue on the west. The \$10,000 shall be used to fund one individual residential parking permit per household for a two-year term. As part of the Developer's annual reporting obligations under this Agreement, the Developer shall provide a copy of the receipt of the payment of the \$10,000 to the Department of City Planning.

(e) Canvassing Potential Permit Parking District areas to obtain signatures in support of a Preferential Parking District: The Developer shall pay \$50,000 to Council District 13, to fund the canvassing and the payment of initial applications fees for the Preferential Parking Districts described above. As part of the Developer's annual reporting obligations under this Agreement, the Developer shall provide evidence of payment to Council District 13 for the establishment of the Preferential Parking Districts (I and II). This process shall be initiated, and payment shall be made, within 180 days of the Effective Date of this Agreement.

(f) Neighborhood Protection Plan: The Developer shall pay \$100,000 to the Larchmont Village Neighborhood Association towards the review and implementation of measures intended to reduce neighborhood traffic intrusion and congestion. The study and potential traffic-related measures shall be reviewed by City of Los Angeles Department of Transportation (LADOT) and Council District 4. The Developer and the Larchmont Village Neighborhood Association are hereby on notice that the \$100,000 shall include the necessary fees required of LADOT to review and process their review and recommendations. The payment of \$100,000 shall be paid at the issuance of the building permit(s) that cumulatively exceed 200,000 square feet of net new floor area or any parking structure within the Property (not including sets, façades, interior modifications, or temporary uses).

(g) CD 4 Improvement Fund: The Developer shall pay \$375,000 to the City of Los Angeles Council District 4 for neighborhood traffic protection and streetscape improvements within Council District 4. The \$375,000 shall be paid in three equal installments of \$125,000 each, with each installment to be paid at the issuance of a building permit for a building that individually or cumulatively exceeds an additional 393,000 square feet of net new floor area (not including sets, facades, interior modifications, temporary uses or parking structures); provided, however, that the initial 200,000 square feet of net new floor area described in Section 2.3.1(f) above shall not count toward this total, and the first installment shall not be required until after the payment under Section 2.3.1(f) above has been made and upon the issuance of a building permit for a building that individually or cumulatively exceeds an additional 393,000 square feet of net new floor area.

(h) Pedestrian Safety Improvements: The Developer shall install new continental crosswalks at the intersection of Van Ness Avenue and Clinton Street. The

improvements shall be made within 180 days from the Effective Date of this Agreement, contingent upon the timely issuance of City permits.

(i) Expedited Sidewalk Repair/Improvement and Maintenance of Parkway: The Developer shall pay up to \$100,000 towards the repair and improvements of the public right-of-way sidewalks and parkway areas fronting properties at 911 North Ridgewood Place and 5657 West Lemon Grove Avenue. These improvements shall be made within one year from the Effective Date of this Agreement, contingent upon the timely issuance of City permits. As part of the Developer's annual reporting obligations under this Agreement, the Developer shall provide the necessary receipts, permits, and/or contractor agreements which evidence the payment of up to \$100,000 as well as photographs of the physical improvements (including date and time of photographs).

(j) Fencing/Landscaping: The Developer shall replace the chain-link fence around the properties at 911 North Ridgewood Place and 5657 West Lemon Grove Avenue, with decorative fencing and shall improve the lots with landscaping and/or hardscape. The cost of the improvements shall be up to \$100,000 and the improvements shall be undertaken within 180 days of the Effective Date of this Agreement, contingent upon the timely issuance of City permits. As part of the Developer's annual reporting obligations under this Agreement, the Developer shall provide the necessary receipts, permits, and/or contractor agreements which evidence the payment of up to \$100,000, as well as photographs of the physical improvements (including date and time of photographs).

(k) Historic Resource Survey-Larchmont Village: Within 180 days of the Effective Date of this Agreement, the Developer shall pay \$25,000 to the Larchmont Village Neighborhood Association for the Larchmont Village Neighborhood Association's completion of a Historic Resources Survey for the Larchmont Village Neighborhood. As part of the Developer's annual reporting obligations under this Agreement, the Developer shall provide a copy of the check in the amount of \$25,000 and transmittal to the Larchmont Village Neighborhood Association.

Section 7.7 Assignment.

Developer shall have the right to sell, assign or transfer fee, leasehold or other interests in the Property without the consent or approval of City so long as Developer does not assign this Agreement or its obligation hereunder except in compliance with this Section. The Property, as well as the rights and obligations of Developer under this Agreement, may not be transferred or assigned in whole or in part by Developer to a Transferee without the prior consent of the City, in the City's sole discretion, which consent shall not be unreasonably withheld, subject to the conditions set forth below in Sections 7.7.1.1 and 7.7.1.2. Upon such assignment the assignor shall be released from the obligations so assigned. Notwithstanding the foregoing, the assignment of the Agreement to an affiliate of Developer or to a purchaser of all or substantially all of the assets of Developer including the Property shall be permitted and not require the prior consent of the City. Developer shall provide notice of such permitted assignment to the City within thirty (30) days of the assignment.

ATTACHMENT C

Requested Changes to MMP

Project Design Feature A.2.4: Prior to issuance of a building permit for a new structure that abuts a residential property, the building plans shall include documentation that the building lighting will not exceed 2 foot-candles as measured at the adjacent residential property.

- **Enforcement Agency:** City of Los Angeles Department of Building and Safety
- **Monitoring Agency:** City of Los Angeles Department of Building and Safety
- **Monitoring Phase:** Construction
- **Monitoring Frequency:** Once at Project plan check; once during field inspection
- **Action Indicating Compliance:** Plan approval and issuance of applicable building permit; issuance of Certificate of Occupancy

Mitigation Measure B.1-1: The Project representative shall make available to the lead agency and the South Coast Air Quality Management District a comprehensive inventory of all off-road construction equipment, equal to or greater than 50 horsepower, that will be used an aggregate of 40 or more hours during any portion of construction activities for the proposed Project. The inventory shall include the horsepower rating, engine production year, and certification of the specified Tier standard. A copy of each unit's certified tier specification, Best Available Control Technology documentation, and California Air Resources Board or Air Quality Management District operating permit shall be available onsite at the time of mobilization of each applicable unit of equipment. Off-road diesel-powered equipment within the construction inventory list described above shall meet the Tier 34 standards where commercially available.

~~Project Design Feature C-1:~~ ~~When Stage 21 is demolished, the Applicant shall use commercially reasonable efforts to attempt to remove the globe from the structure. If the globe can be successfully removed, the Applicant shall work with an appropriate historic preservation or other group to relocate the globe to an off-site location, where it will be visible to the public, to the extent such a location is available.~~

- ~~Enforcement Agency: City of Los Angeles Department of City Planning, Office of Historic Resources~~
- ~~Monitoring Agency: City of Los Angeles Department of City Planning, Office of Historic Resources~~
- ~~Monitoring Phase: Construction~~
- ~~Monitoring Frequency: Once prior to issuance of demolition permit for Stage 21~~
- ~~Action Indicating Compliance: Issuance of demolition permit for Stage 21~~

Mitigation Measure E-1: If excavation or grading occurs in areas identified in Figure IV.E-1, provided as Attachment 1 of this MMP (areas with potential for residual contamination in subsurface), then construction contracts shall include a provision that a qualified environmental professional shall screen soils in the areas of potential contamination prior to such work based on the nature of the potential contamination, and in the event that potential contamination may be encountered during excavation or grading, work in the area of potential contamination shall be temporarily halted and the contamination shall be evaluated by a qualified environmental professional using appropriate collection and sampling techniques as determined by the environmental professional based on the nature of the contamination. The nature and extent of contamination shall be determined and the appropriate handling, disposal and/or treatment shall be implemented (i.e., excavated/disposed of, treated in-situ [in-place], or otherwise managed) in accordance with applicable regulatory requirements, such as South Coast Air Quality Management District Rule 1166.

If soil contamination is not suspected, but is observed (i.e., by sight, smell, visual, etc.) during excavation and grading activities, excavation and grading within the area of the observed contamination shall be temporarily halted and redirected around the area until the appropriate evaluation and follow-up measures are implemented by a qualified environmental professional, as described above.