



MICHAEL N. FEUER
City Attorney

REPORT NO. R16-0284
SEP 08 2016

REPORT RE:

**DRAFT ORDINANCE AUTHORIZING THE ADOPTION OF A
DEVELOPMENT AGREEMENT BY AND BETWEEN
THE CITY OF LOS ANGELES
AND PARAMOUNT PICTURES CORPORATION**

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. 16-0876
CPC-2011-2462-DA

Honorable Members:

On September 6, 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 Paramount Pictures Corporation (the Development Agreement).

This Office has prepared and 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

Paramount Pictures Corporation (the Developer), owns 62-acres in the City of Los Angeles located generally at 5555 West Melrose Avenue (Main Lot); 5807-5811 West Gregory Avenue and 853-865 North Gower Street (Gregory Lot); 801 North Gower Street and 5271 W. Waring Avenue (Waring Lot); 5700-5708 West Camerford

Avenue and 717-723 North Gower Street (Camerford Lot); 5500-5524 West Melrose Avenue, 650 North Plymouth Boulevard, and 651 North Windsor Boulevard (Windsor Lot); 5400-5420 West Melrose Avenue, 649-651 Bronson Avenue and 646 Irving Avenue (South Bronson Lot); 923-943 North Ridgewood Place, 900-950 North Van Ness Avenue, 5671-5673 West Lemon Grove Avenue, 911 North Ridgewood Place, and, 5657 and 5665 West Lemon Grove Avenue (Lemon Grove Lot) (the "Property"). Developer intends to redevelop portions of the Property with new studio, stage, production office, office, support, retail and related uses, circulation improvements, and parking facilities to be implemented through the Paramount Pictures Specific Plan. The Project would demolish some structures and would result in a net increase of 1,385,700 square feet of floor area. The Developer anticipates that the Project will be completely built-out and fully operational by the year 2038. As part of its Project Approvals, Developer requested, among other things, a General Plan Amendment, a Zone Change and a Specific Plan.

Developer also requested a development agreement for its Project. The Development Agreement is generally consistent with the City's prior development agreements. Under the Development Agreement, the Developer has agreed to provide the following public benefits:

- Provide funding in the amount of \$5 million dollars to the CD13 Public Benefits Trust Fund towards streetscape improvements in the vicinity of the Property;
- Provide a rent-free lease to the Foundation of Early Childhood Education, Inc. for property located at 5807 Gregory Avenue for a Head Start Program;
- Pay \$10,000 to the Department of Transportation to go towards a Preferential Parking District I, when it is formed;
- Pay \$10,000 to the Department of Transportation to go towards a Preferential Parking District II, when it is formed;
- Pay \$50,000 to Council District 13 to fund canvassing and the payment of initial application fees for the Preferential Parking Districts ;
- Pay \$100,000 to the Larchmont Village Neighborhood Association towards the review and implementation of traffic reduction measures;
- Pay \$375,000 to Council District 4 for neighborhood traffic protection and streetscape improvements;
- Install new continental crosswalks at the intersection of Van Ness Avenue and Clinton Street;
- Pay up to \$100,00 towards the repair and improvement of sidewalks and parkways fronting properties at 911 North Ridgewood and 5657 West Lemon Grove Avenue;

- Replace the chain-link fence around the properties at 911 North Ridgewood and 5657 West Lemon Grove Avenue with decorative fencing and improve the lots with landscaping and/or hardscape; and
- Pay \$25,000 to the Larchmont Village Neighborhood Association for the completion of a Historic Resources Survey for the Larchmont Village Neighborhood.

The Development Agreement was modified by the PLUM Committee from the original Planning Commission action to revise the public benefits and the assignment language.

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 the City Council adopt it.

The Commission had adopted the required Charter and Government Code findings, prepared by the Department of City Planning, 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. Provided that, at the time Council takes the aforementioned action, Council has previously certified the Environmental Impact Report (EIR) 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."

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 and the Department of Transportation with a request that all comments, if any, be presented directly to the City Council or its Committees when this matter is considered.

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 PLUM, it should:

- (1) Previously have approved the Specific Plan and related entitlements;
- (2) Find under the California Public Resources Code Section 21166 and the State's Environmental Quality Act (CEQA) Guidelines Section 15162, on the basis of substantial evidence contained in the whole record, that since certification of EIR No. ENV-2011-2460-EIR, there have been no changes to the Project, no changes with respect to the circumstances under which the Project is being undertaken, or no 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;
- (3) Adopt the July 14, 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.

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
Chief Assistant City Attorney

DM/LCH:mrc
Transmittal