



# Los Angeles Grand Avenue Authority



## **Board of Directors**

Hon. Gloria Molina, Chair  
Hon. Jan Perry, Vice Chair  
David E. Janssen, Secretary  
Robert R. "Bud" Ovrom

## **JUNE 28, 2004 MINUTES**

The seventh meeting of the Los Angeles Grand Avenue Authority was held June 28, 2004 at Metropolitan Transportation Authority Board Room, One Gateway Plaza, Los Angeles, CA.

### **CALL TO ORDER**

Chairperson Gloria Molina noting a quorum called the meeting to order at 10:12 a.m. The following Directors were present, constituting a quorum of the Authority:

Honorable Gloria Molina, Supervisor First District, Los Angeles County  
Honorable Jan Perry, Councilmember Ninth District, City of Los Angeles  
David E. Janssen, Chief Administrative Officer, Los Angeles County  
Robert R. "Bud" Ovrom, Chief Executive Officer, Community Redevelopment Agency, City of Los Angeles

### **APPROVAL OF THE MAY 24, 2004 MINUTES**

On motion of Director Ovrom, seconded by Director Perry, the Authority unanimously approved the May 24, 2004 minutes.

### **MANAGING DIRECTOR'S REPORT**

Martha Welborne reported that the Committee is focusing on the selection of a development team; the second round of interviews was held on June 2, 2004 with the two selected teams and will meet with them again this afternoon for an hour and a half each. The Committee anticipates having a recommendation for the Authority for the August 9<sup>th</sup> meeting; The Secretary of Business, Transportation and Housing for the State of California, Sunne Wright McPeak was appointed by the Governor to serve on this board and the Committee looks forward to her attendance at the next meeting and her involvement with the Authority. Her liaison to this meeting is Jorge Jackson.

### **INTRODUCTION OF DEVELOPMENT TEAMS**

James A. Thomas, JPA Real Property Negotiator and Chairman and President of the Grand Avenue Committee introduced each team's presenters. The teams were allotted thirty minutes to present; including twenty minutes to outline their qualifications and ten minutes to discuss their design concept analysis. The selection of a team would be next and a six month process to determine the project specifics. Final selection would go to the Authority, the Community Redevelopment Agency, Los Angeles City Council, and then the Los Angeles County Board of Supervisors for final approval.

**Forest City Development:** Albert Ratner, Chairman, Forest City Enterprises, discussed the current downtown area and the opportunity to further develop the area using upscale downtown housing and coupling it with housing for all income levels, more cultural facilities, and retail and office spaces. He stated that the park will enable developers to create a unique Los Angeles experience; it is the heart of Los Angeles, the melting pot of ideas and the mixing of people. He then introduced Greg Vilkin, Regional Partner for California, who

discussed some of Forest City Development's local projects. Fred Kent, Project for Public Spaces, discussed the community process of partnerships, community building, and place making that Forest City initiates in each project and Katherine Perez, Executive Director, Transportation & Land Use Collaborative, discussed the underlining principles behind the team's focus. Peter Calthorpe, Calthorpe & Associates, concluded with a discussion of the urban design components.

The speakers' key points included:

- The team has 80 years of experience with 35 years of urban development in the Los Angeles area and the team's regional headquarters are located in South Park.
- The team is an active member of Los Angeles Housing and Land Use Committee, CCA, L.A. Family Housing and L.A. BID.
- The team has assets of six billion dollars, is one of the largest and most diversified real estate developers in the country, and employs 120 individuals.
- The team has a diversified portfolio major urban development projects including Central Station, Chicago a 14 million square foot project that has upscale and affordable residential, commercial, hotel and retail uses and a large community park; Southeast Federal Center, Washington, D.C. a 1.8 million square foot development of office, residential, retail and a 5 acre waterfront park; University Park, Massachusetts Institute of Technology is a 2.3 million square foot development of residential, office, retail and hotel uses built around a central park setting; Times Square, New York is a 650,000 square foot development includes a 444 room Hilton hotel, a Madame Tussaud's Wax Museum, and AMC 25 screen theater; Metro-Tech Center, Brooklyn is a 7 million square foot development houses several blue chip and governmental techs; and Brooklyn-Atlantic Yards, New York houses the New Jersey Nets basketball team entertainment and sports arena and mixed use real estate development with office, retail and residential space.
- Its Los Angeles projects include Angelus Plaza; The Metropolitan has 270 residential units; The Skyline a 14 story tower in Southpark; Met Lofts has 264 mixed income residential units; Subway Terminal Building has over 500,000 square feet; and 1100 Wilshire originally built as class 'A' office space is being reprogrammed into a 'for sale' residential community. Other projects include Studio Colony; Vineyard Village; Little Tokyo Towers; The Knolls; the Toscana and the Highlands.
- The team has developed 36 residential Los Angeles projects including 8,378 market rate, affordable, and senior housing units; seven commercial projects of 6.2 million square feet; and six private/public partnerships with the City of Los Angeles.
- The team has developed over \$2.6 billion in the Los Angeles area.
- No two projects are alike because community diversity and community vision are primary issues that must be considered at the beginning of any project. Each project is viewed as an urban design not as an architectural design because the community needs to be engaged. The team's process includes developing partnerships, community building and place-making. These elements make way for the architecture. Project plans would hinge around the development of a park that would act as a central gathering point.
- The team proposes creating a place where it is comfortable to walk on the streets and create destinations that attract people who may have come downtown for one event but find other destinations that give them the desire to stay.
- Amenities are essential; the area must have places to sit, food, markets, street activities. Seasonal strategies are also important.
- Eighty percent of the success of a place is the management.

- Members of the team include Executive Architect is A. C. Martin Partners; Peter Calthorpe, Urban Planner, Calthorpe & Associates; Tom Cox, Architect; Civitas, Projects for Public Spaces, Patrick Ela, Fehr & Peers, Transportation Land Use Collaborative, CB Richard Ellis Consulting – Sedway Group, Hanscomb Faithful & Gould, and Sheppard Mullin Richter & Hampton.
- One team goal is to reunite communities severed by previous development. Other goals include developing a new urban core, bringing back traditional cultural centers and reuniting Los Angeles. The plan is to connect El Pueblo, Olvera Street and Southpark; and create new cultural centers. Los Angeles is the first place for new communities to come.
- The design framework includes civic connections with the Civic Center becoming the crossroad and allows for seamless connection to other areas, transportation that will allow people to arrive in multiple ways and move through with ease, proper space utilization and order, and a 24 hour neighborhood.

Director Ovrom asked for elaboration on the plan to provide lasting affordable mixed housing. Mr. Ratner proposed 20% be workforce housing consisting of rental and sale properties. For low income housing, he suggested a portion be set aside for families below fifty percent of median income and place a fifty-five year restriction.

Director Molina asked what below fifty percent median income meant and what type of housing would be available. The team stated target market would be incomes below \$27,000 and that high-rise residences ideally accommodate two and three bedroom units.

Director Perry asked about the public process in the selection of an architect for the New York Times Project. The team stated that they wanted to pair an architect that had not designed a site in New York and someone who has the specific knowledge of building code of the area to assist in moving the project along. The team explained the selection process in detail at each step of the process using a selection panel consisting of representatives from New York City, The New York Times, and Forest City to review each applicant.

Director Perry asked about the funding options for the construction and maintenance of the park. Mr. Ratner stated that it would depend on the housing and overall mixture of the project. At this point, he is considering a combination of public and private means.

Director Janssen asked about the timeframe for the completion of this project. Mr. Ratner stated many factors need to be considered before that question can be answered.

Director Janssen asked if housing is the primary factor in making this project successful. Mr. Ratner replied that the team was provided a context of specific properties to look at and they dealt with the properties. This plan will have to fit with everything surrounding it and housing is very important to a 'viable downtown'.

Director Molina voiced concerns about whether the market would allow for the construction of low income housing or if a gentrification of the project would be the final outcome. The team stated that the process requires them to research the behavior of existing communities and mesh the amenities, activities, uses, image, access and linkage of those communities.

Director Molina asked about the inclusion of a convention hotel in the overall plan. The team replied that the hotel should be on the site adjacent to the convention center; Grand Avenue should create a connection uniting downtown with the convention center. Director

Molina also inquired about the potential of eliminating the two County buildings. The team stated that, at this time, elimination of the County buildings is not in the plan but the County will need to renovate or replace these two buildings.

Director Molina thanked the Forest City Team for its presentation.

**Presentation by The Related Companies:** Stephen Ross, Chief Executive Officer, The Related Companies, gave an overview of the team, followed by Kenneth Himmel, Developer, discussed the mixed use component and place-making of the presentation; William Witte, Regional Partner, discussed current and under construction projects in the Los Angeles Area; and Victor MacFarlane, Equity Partner, MacFarlane Partners.

The speakers' key points included:

- Related is a national firm that formed in 1972 with an office located in Southern California for more than 15 years headed by Bill Witte.
- Related has developed over 25,000 units in the Northeast, California and Florida; and has expertise in urban development composed of urban/retail mixed-use, high-rise residential rental & for sale products at market and affordable rates, and hotel and office development.
- Related is the second largest owner of affordable multi-family housing and largest financier of affordable multi-family housing in the United States
- All projects have an affordable mixed income component of 80/20 financing.
- Built urban type hotels such as the W Hotel, Union Square, New York.
- Office building projects are utilized by Fortune 500 companies.
- The focal point of the project will be the park – the effective use of outdoor spaces private/public – utilizing local artists.
- It will also be a central point to other local cultural center destinations.
- Projects include Time Warner Center, New York is a 60,000 square foot Whole Food store, a 40,000 square foot health club, a 25,000 square foot Borders Bookstore and restaurants; City Place is a 72 acre project includes a performing art center and restaurants in West Palm Beach, Florida; Copley Place & Square, Boston, Massachusetts; Reston, Virginia is 250,000 square foot project includes art fairs and ice skating in the winter; and 730 North Michigan, Chicago.
- Anticipates the Grand Avenue to be done in phases consisting of outdoor/urban dining, urban living, shopping, and entertainment.
- Clear Channel Entertainment and Cirque du Soleil have expressed interest in moving into the Grand Avenue Project. Potentially including Blue Man Group and Cabaret.
- The same detail placed in high end housing is placed in low end housing.
- Have 1200 units of housing and 100,000 feet of retail space built or under development in and around Los Angeles. Just completed the Pueblo del Sol rental phase at the Eliso Viejo Public Housing site.
- Have a 900 unit, six acre site in Little Tokyo under development; also a mixed use/mixed income development at the Alvarado at the Wilshire MTA site.
- Team will consist of David Childs, Design Principal of Skidmore, Owings and Merrill; Brenda Levin, Urban Design, Levin & Associates; Thom Mayne, Morphosis Architects; Lisa Specht, Land Use/ Government Consultant, Manatt, Phelps & Philips; Howard Elkus, Architect, Elkus Manfredi Architects; Kathryn Gustafson, Landscape Architect; Nick Patsouras, Public/Private Partnership, Polis Builders; Dan Biederman, BRV Corporation; and Merry Norris, Art Consultant.

- If selected, steps to develop a final plan would include initiating a process of community/stakeholder outreach; begin work on the financing and park planning; finalize negotiations with entertainment venues; work with the cultural community.
- The team envisions Grand Avenue as a cultural boulevard with a collection of usages to activate the street; First Street would be a civic boulevard with city, county and state building linking the east and the west sides of the city. The project need to support not compete with the civic uses.
- Second Street can create a residential corridor from Bunker Hill Towers to Little Tokyo with narrow tree-lined residential streets; Hill Street could be transit corridor could provide direct pedestrian access from the historical core and Hope Street could link key resources including the downtown Y, the Bunker Hill steps and the central library; and lower Grand Avenue could absorb delivery and parking access so that upper Grand Avenue could be used for pedestrians.
- The team envisions five park zones including a civic place, a garden place; a people place, a gathering place and a ceremonial place
- Incorporate the basic cost of the project into the project budget by leveraging the land value to finance the park and public space.

Director Perry inquired about the team's outreach strategy to develop the projects particularly their Second and Central Project. The team stated that meetings were held with local committees, business associations, and other stakeholders to obtain input because each project is unique and requires partnering with the stakeholders.

Director Molina asked for a clarification of leveraging land value. The team explained that there is land value in the four sites and as part of the negotiation the developer could receive credit against what would be paid for a private development. Use the value of that land for the public development to pay for those costs.

Director Molina inquired about affordable housing and how it is tied to the market. The team replied that all of its previous mixed housing was financed by 80/20 bonds. The Related Companies has a national reputation for financing complex projects. A local regional example presented was the Paramount Project at Mission and Third in San Francisco that was completed two years ago.

Director Molina asked how the team would get to the whole of the project. The team stated that the retail segment creates a great place. Without the great place you will not have significant mixed use development with an immediate impact.

Director Molina inquired about the construction of a convention hotel. The team stated that a major convention hotel belongs around the Staples Center, but that a different model for hotel programming because of the arts, culture, and neighborhood in the downtown.

Director Molina asked about the timeframe of the low income housing remaining low income. The team replied that the twenty percent will remain low income.

Director Molina thanked the team for their presentation.

### **PUBLIC COMMENT**

Gene Hale, Chairman, Greater Los Angeles African Chamber of Commerce and City of Los Angeles Small Business Committee, stated his support for the project in regards to small

business opportunities for women and minorities. The Committee has spent the last couple of months reviewing the contracting procedures for the City of Los Angeles and has noted a lack of contract compliance. He recommends, under the guidance of CRA rules, participation of small business, minorities and women by requiring prior to the developer's sign-off have a subcontract plan that identifies the small businesses, minorities and women they intend to use along with a monitoring process of the actual participation.

Cheryl Branch, Chairperson, Los Angeles Empowerment Zone Oversight Committee, stated the Committee is not opposed to the project but spoke on matters regarding jobs for the community residents. Ms. Branch recommended a public hearing prior to the selection of a developer to ensure that citizen input is obtained covering poverty reduction and economic development. Questions include: How will first source hiring be addressed? How will community impact reports be provided? Why are subsidies needed? Will this project be linked to job opportunities? Will this create employment income? How will the project address support system issues such as health, housing, transportation, and childcare? What will happen if the community benefits promised are not realized? How the project is linked to existing City initiatives? How is the project linked to the Mayor's study called the LA Economy Project? How much will be spent of business improvements? What is the potential for job creation and linkage in the 9<sup>th</sup> District which has 52% unemployment? How will parking revenue be spent? How will small business be affected?

Director Molina stated that these were valid questions and would direct the executive director to show her how to approach the process of getting the answers.

Mary M. Lee, Attorney, United Coalition East Prevention Project, spoke of the lack of input sought by Central City East residents. To succeed in community building it is essential to include residents as stakeholders. It is overlooked by all the developments around it. There is a fear of gentrification of these residents. A process needs to be established in the beginning to obtain input that will incorporate the stakeholders that are a part of the downtown community.

Brady Westwater, Vice Chairperson, Downtown Los Angeles Council, stated that no local community councils were asked to participate in the process. He agrees with the Forest City architectural concept plan and their honesty regarding the difficulties of the project. He appreciated what the Related Group wanted to do but he was disturbed by their process. Are they going to wait until all of the decisions of the park and surrounding parcels are decided before they begin to build?

Juanita Tate, Concerned Citizens of SCLA, spoke of her concern regarding the disposition of the public land to developers. Ninth Council District residents have not been asked to provide input. AB 1290 states money not generated in the community can no longer be used. Consider a joint land trust for the Joint Powers tied to performance of the project. Public land should not be given up to developers. Also, examine a jobs/housing balance.

#### **DISCUSSION OF FUTURE AGENDA ITEMS, DATE OF THE NEXT MEETING**

The next meeting is currently rescheduled to August 9, 2004 in Room 374-A of the Kenneth Hahn Hall of Administration.

#### **ADJOURNMENT**

There being no further business, the meeting adjourned at 1:50 p.m.