



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

21 September 26, 2017

LORI GLASGOW
EXECUTIVE OFFICER

September 26, 2017

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**GRAND AVENUE PROJECT-PHASE I (PARCEL Q)
APPROVE THE SCHEMATIC DESIGN AND OTHER RELATED ACTIONS
(ALL DISTRICTS)
(3 VOTES)**

SUBJECT

Approval of the recommended actions will: (1) find that the recommendations are within the scope of the Grand Avenue Project in the previously certified Final Environmental Impact Report and the First and Second Addenda; (2) conditionally approve the Phase I (Parcel Q) Schematic Design Drawings, which would authorize Core/Related Grand Avenue Owner LLC, to proceed to the next phase of design work for the Grand Avenue Project-Phase I; and (3) extend by approximately four months, the deadline for the Grand Avenue Authority to enter into ground leases for the other project parcels, as provided in the Grand Avenue Joint Exercise of Powers Agreement.

The Grand Avenue Project-Phase I is a mixed-use development on Parcel Q, owned by the County of Los Angeles, in the Bunker Hill Redevelopment Project Area. Grand Avenue Project-Phase I consists of residential and hotel towers, parking, public plaza, retail/commercial spaces, streetscape, and site landscaping developed by Core/Related Grand Avenue Owner LLC.

IT IS RECOMMENDED THAT THE BOARD:

1. Acting as a responsible agency for purposes of the California Environmental Quality Act, find that the recommended actions are within the scope of the Grand Avenue Project impacts analyzed in the previously certified Final Environmental Impact Report, and the First and Second Addenda to the Final Environmental Impact Report.

2. Consider the proposed Grand Avenue Project-Phase I Schematic Design Drawings, on file in the Chief Executive Office, and provide a conditional approval of the same, as recommended by the Grand Avenue Authority to the Board.
3. Approve an approximately four-month extension to the deadline in the existing Joint Powers Authority Agreement for the Grand Avenue Authority to execute ground leases applicable to project parcels not under lease, which extension is provided in the proposed Fourth Amendment to the Joint Exercise of Powers Agreement between the County of Los Angeles and the Community Redevelopment Agency of the City of Los Angeles, a Designated Local Authority, as recommended by the Grand Avenue Authority; this extension will give the Grand Avenue Authority time to complete negotiations of a further amendment to the Disposition and Development Agreement to update and coordinate schedules and requirements for Phase IIC (Parcel L partial) and Phase III (Parcel W-2).
4. Authorize the Chief Executive Officer, or her designee, to execute conforming documents and to take any other actions consistent with the implementation of these approvals.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended actions seek the Board of Supervisors' (Board) conditional approval of the Grand Avenue Project (Project)-Phase I (Parcel Q) Schematic Design Drawings for Core/Related Grand Avenue Owner LLC (Developer), to continue to the next step of design for the mixed-use development on County-owned Parcel Q, and to provide a short-term extension of the deadline for executing ground leases that is set forth in the Joint Exercise of Powers Agreement for the Los Angeles Grand Avenue Authority (Authority).

Parcel Q is located at 100 South Grand Avenue, in the Bunker Hill Redevelopment Project Area. Most recently, the Parcel Q Disposition and Development Agreement (DDA) Fifth Amendment was approved by the Authority, County of Los Angeles (County), City of Los Angeles (City), and the Community Redevelopment Agency of the City of Los Angeles (CRA), now CRA/LA, a Designated Local Authority (CRA/LA) in 2016, and construction is scheduled to begin in 2018.

Background

The Authority, a California Joint Powers Authority, is a separate legal entity created in September 2003 through a Joint Powers Agreement, between the County and the CRA/LA, which selected The Related Companies, L.P. (Related), as the developer for the proposed Project in September 2004, after a public process.

In February 2007, August 2010, May 2011, December 2012, January 2014, and November 2016, the Board approved various actions related to the phased development of the Project. Among those actions were the approvals, in form and substance, of the First, Second, Third, Fourth, and Fifth Amendments to the Disposition and Development Agreement (Amended DDA) between the Authority and Grand Avenue, L.A., LLC, a subsidiary of The Related Companies, L.P., predecessor, in interest to the Developer, which:

- outlined the terms and conditions for development and lease of the Bunker Hill Properties owned by the County and CRA;
- approved the change in Scope of Development (Scope) to permit construction of the Broad Museum as Grand Avenue Project-Phase IIA;
- divided the balance of Phase II of the Grand Avenue Project into Phases IIB and IIC;

- approved the modification in the Scope to permit construction of a residential tower, including affordable housing, as part of the Grand Avenue Project-Phase IIB (Parcel M);
- approved the revised concept plan, change in the Scope to permit the construction of the redesigned mixed-use development, including a repositioned residential tower to be located on Second Street between Grand Avenue and Olive Street, and a repositioned hotel tower to be located on the corner of Grand Avenue and First Street, along with a public plaza, retail/commercial spaces, and various streetscape and site landscaping improvements for Phase I; and
- approved the final terms for design, financing, and construction for Parcel Q, which include a revised Phase I (Parcel Q) Scope for residential units, hotel keys, office space, retail/commercial space and parking, and finalization of the Schedule of Performance for Phase I (Parcel Q).

Proposed Phase I (Parcel Q) Schematic Design Drawings (SDs)

The overview of schematic design is included in Attachment A.

On January 14, 2014, the Board approved the revised concept plan and Project description of Phase I as designed by architect Frank Gehry. In July 2015, the Developer provided Authority staff with drawings/renderings that illustrated a further revised concept design for the entire Phase I (Parcel Q) plan, together with revised Phase I Project description/project formulation documents. In November 2016, as part of the approvals for the Fifth Amendment to the DDA, the Authority and the County approved the revised Scope and Schedule of Performance for Phase I (Parcel Q).

On May 23, 2017, the Developer submitted the SDs for the Authority and County to review. Due to additional information or clarification required, the required 75-day review period in the applicable Schedule of Performance was extended, and the deadline for the Authority and the County to provide its approval or disapproval is September 26, 2017.

The Authority and County's review of the SDs and other Project documents is to ensure consistency with the approved Scope and provisions of the Amended DDA.

In accordance with the Fifth Amendment to the DDA, the SDs include design components that meet or exceed the requirements in the Scope. There will be approximately 71,438 square feet of retail, approximately 48,000 square feet of restaurant space, 17,500 square feet for a health club, and a 424-seat movie theater. The hotel and residential components are comprised of 305 hotel rooms, with about 12,000 square feet of meeting space, 141 market rate condominiums, 220 market rate apartments, and 91 affordable apartments.

The design of the Phase I Project is intended to interact with the Disney Concert Hall and allows for a plaza, outdoor dining, terraces, and roof decks facing Grand Avenue to create public and private zones. In addition, entrances on each side of the Project allow for welcoming pedestrians into the Project.

At its September 15, 2017 meeting, the Authority approved the SDs with the following summarized conditions as set forth in more detail in a letter to the Developer (Attachments B-1 and B-2):

1. Landscaping, Streetscape Improvements, and Public Open Spaces: The Developer must include complete design details on all landscaping, streetscape improvements, and public open spaces for Phase I (Parcel Q), and must be submitted to the Authority and County for approval at least 75 days prior to the 100 percent submittal of Design Development Drawings and the Preliminary Landscape Plans.

2. Parking: Due to the reduction in the number of onsite parking spaces from 1,350 to 800 (both self-parking and valet), with overflow parking to be provided at offsite locations near Phase I (Parcel Q), the Developer is required to provide confirmation from the City of Los Angeles that the parking plan is in full compliance with City codes; and in the Parking Management Plan, to be approved by the governing entities, satisfies the Phase I Parking Requirements, which include, but are not limited to:

- a. Minimum of 800 onsite striped passenger vehicle parking spaces;
- b. Use of commercially reasonable good-faith efforts to avoid vehicular queueing onto adjacent public streets;
- c. Evidence that the Project will, at all times, have to include sufficient parking for all residents, retail customers, hotel guests, and their visitors;
- d. Provide tenants of the Affordable Housing Units, offsite parking which is within reasonable walking distance from the Phase I residential tower, and the rate charged shall, at all times, be reasonably discounted as compared to the rate charged to the tenants of Phase I market rate rental units for onsite self-parking;
- e. Drop off lane to accommodate carpool drop off; and
- f. Parking spaces shall not be bundled into the rent charged to renters of market or affordable apartment units.

If the County provides its approval, the Developer is able to proceed with Design Development Drawings (DDs) and must incorporate the previously approved general standards and design guidelines to ensure that the resulting project is of the same high quality envisioned for the originally approved project on this unique site. Any deviations from the Scope or SDs must be reviewed and approved, or else the DDs will be deemed nonconforming.

The Authority and the County reserve all their rights, to approve or disapprove the submittals that satisfy the foregoing conditions. Under the terms of the Fifth Amendment to the Disposition and Development Agreement, the Authority and the County each have the right to approve or disapprove the SDs for Phase I (Parcel Q).

If the County conditionally approves the SDs, the County will have a subsequent opportunity to review the updated drawings, and to approve or disapprove any updated SDs.

It is recommended that the Board conditionally approve the SDs to facilitate the original objectives of the proposed Project. The County's conditional approval of the SDs is not an approval of the Project's quality or suitability of the design or construction.

Fourth Amendment to the Joint Powers Authority (JPA) Agreement (Attachment C)

The Third Amendment to the Joint Exercise of Powers Agreement between the County and the CRA/LA provided an extension to October 1, 2017, for the Authority to enter into ground leases for the Project parcels not under lease, which are Parcel L (Phase IIC) (CRA/LA owned) and W-2 (Phase III) (County owned).

At its August 24, 2017 meeting, the Authority requested that the County and the CRA/LA, the parties to the JPA Agreement, approve and execute the Fourth Amendment to the JPA Agreement to provide for a four-month extension, from October 1, 2017 to January 30, 2018, to enter into ground leases for the other parcels to give the Authority time to coordinate schedules, activities, and scope for Parcel W-2 and Parcel L (partial).

The attached Fourth Amendment to the JPA Agreement has been reviewed and approved as to form by County Counsel.

The CRA/LA provided its approval of the Fourth Amendment to the JPA Agreement on September 7, 2017.

FISCAL IMPACT/FINANCING

The recommended actions have no fiscal impact.

The proposed Project Phase I (Parcel Q) estimated cost totals \$950.0 million, and Financing Requirements were included in the Fifth Amendment to the DDA.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Fifth Amendment to the DDA requires that the Developer's SDs for Phase I (Parcel Q) must be submitted to the Board and to the Authority Board for review, and approval or disapproval by September 26, 2017.

ENVIRONMENTAL DOCUMENTATION

The recommended actions are within the scope of the Project analyzed in the previously certified Final Environmental Impact Report (Final EIR) and the First and Second Addenda to the Final EIR.

In November 2006, acting as the lead agency for purposes of the California Environmental Quality Act (CEQA), the Authority certified the Final EIR for the proposed Project, a mixed-use development on Parcels Q and W-23, L, and M-2, and potentially W-1, along with a revitalized and expanded civic park, now known as Grand Park. The County, acting as a responsible agency, approved the Final EIR in 2007.

In 2010 and 2014, acting as the lead agency, the Authority approved the First and Second Addenda, respectively to the Final EIR. The Second Addendum, which was approved in 2014 for the Fourth Amendment to the DDA, provided updated environmental documentation for the revised concept plan for Phase I (Parcel Q) as designed by architect Frank Gehry, established as the re-formulated project description in January 2014. The County, acting as a responsible agency, also approved the First and Second Addenda to the Final EIR in 2010 and 2014, respectively.

The Final EIR, with its Addenda, includes in its scope of potential impacts analyzed in the currently recommended Scope for the Phase I (Parcel Q) mixed-use site with two towers repositioned as approved in 2014, and a mix of residential, retail, and hotel uses consistent with those analyses. No further environmental review is required based on the record of the proposed Project since certification of the Final EIR and approval of the First and Second Addenda, there have been no changes to the proposed Project, or substantial changes in circumstances, or new information that would warrant subsequent environmental analysis in accordance with CEQA, including but not limited to, California Public Resources Code Section 21166 and State CEQA Guidelines Sections 15162, 15163, and 15164.

The mitigation measures and related conditions of approval from the certified Final EIR applicable to the Phase I (Parcel Q) Project as revised have been reviewed, and will be required and monitored for compliance.

Upon the Board's approval of the recommended actions, the Chief Executive Office will file a Notice of Determination with the Registrar-Recorder/County Clerk in accordance with Section 21152 of the California Public Resources Code.

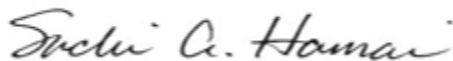
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions have no impact on current services.

CONCLUSION

Please return one adopted copy of this Board letter to the Chief Executive Office, Capital Programs Division.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sachin A. Hamai".

SACHI A. HAMAI

Chief Executive Officer

SAH:JJ:DPH

BMB:CY:CF:zu

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Grand Avenue Authority

ATTACHMENT A

GRAND AVENUE PROJECT

SCHEMATIC DESIGN

Related Companies

Gehry Partners, LLP

DCI Engineers
HKA Elevator Consulting
Cosentini MEP
SG&H Code Consulting
Walker Parking Consultants
Salter Associates Acoustics

JULY 19, 2017



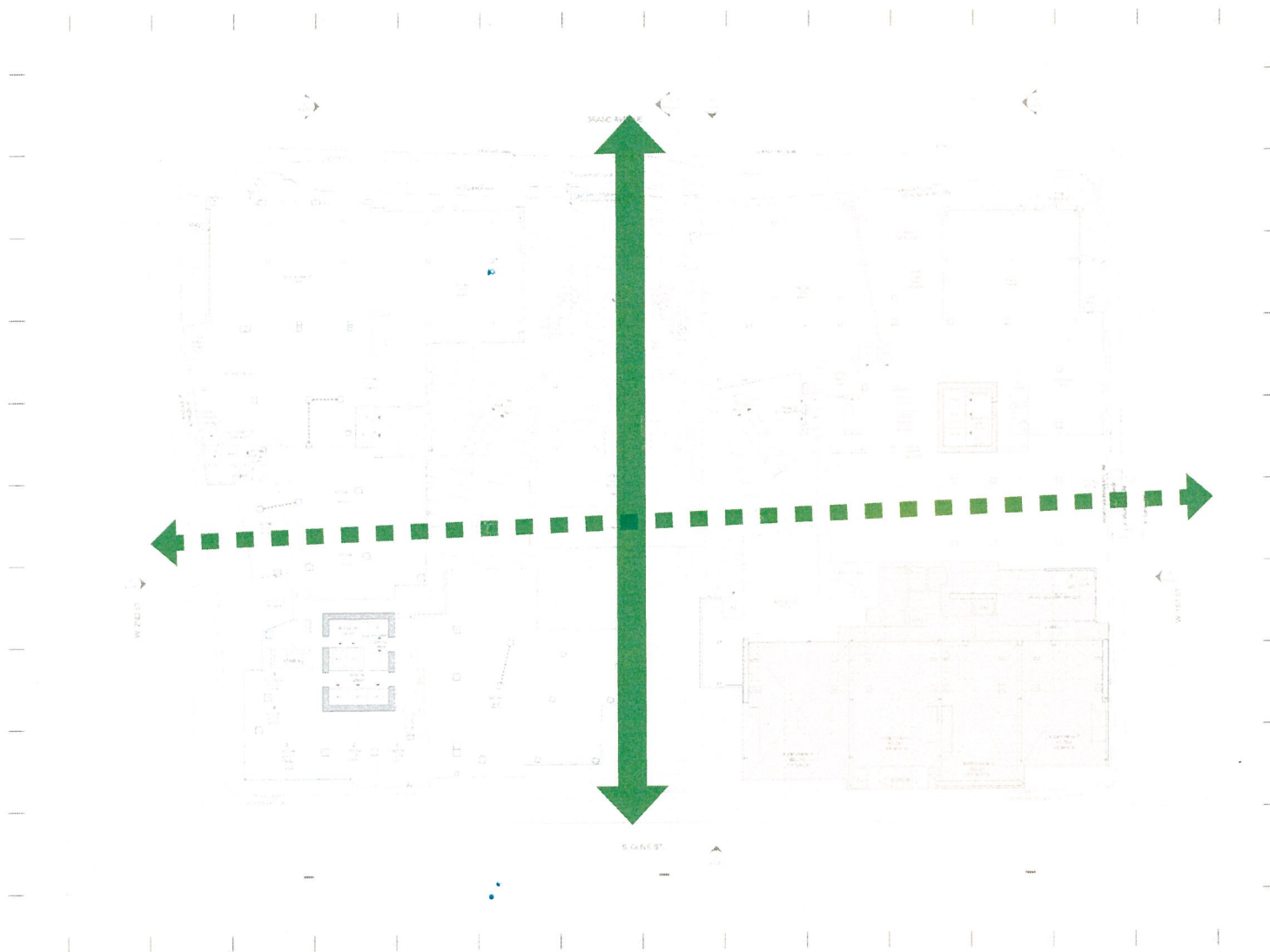
1. GENERAL DESIGN UPDATE

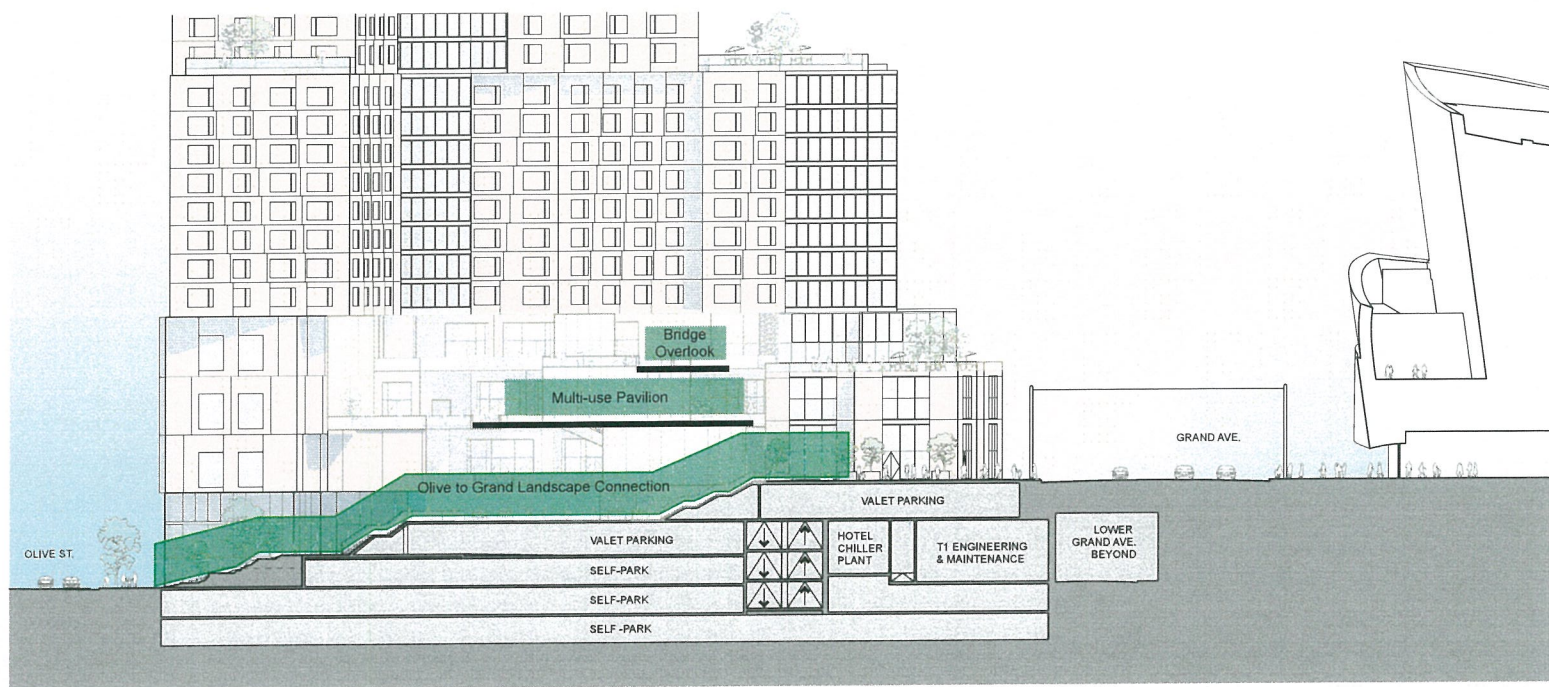
**1.1 URBAN DESIGN RELATIONSHIPS / PEDESTRIAN/LANDSCAPE
CONNECTIONS THROUGH PROJECT**

1.2 PROJECT PROGRAM DEMARCATION IN MASSING

1.3 OVERALL ARCHITECTURAL EXPRESSION







1. GENERAL DESIGN UPDATE

1.1 URBAN DESIGN RELATIONSHIPS

1.2 PEDESTRIAN/LANDSCAPE CONNECTIONS
THROUGH PROJECT

1.3 PROJECT PROGRAM DEMARCATION IN MASSING

1.4 OVERALL ARCHITECTURAL EXPRESSION



1. GENERAL DESIGN UPDATE

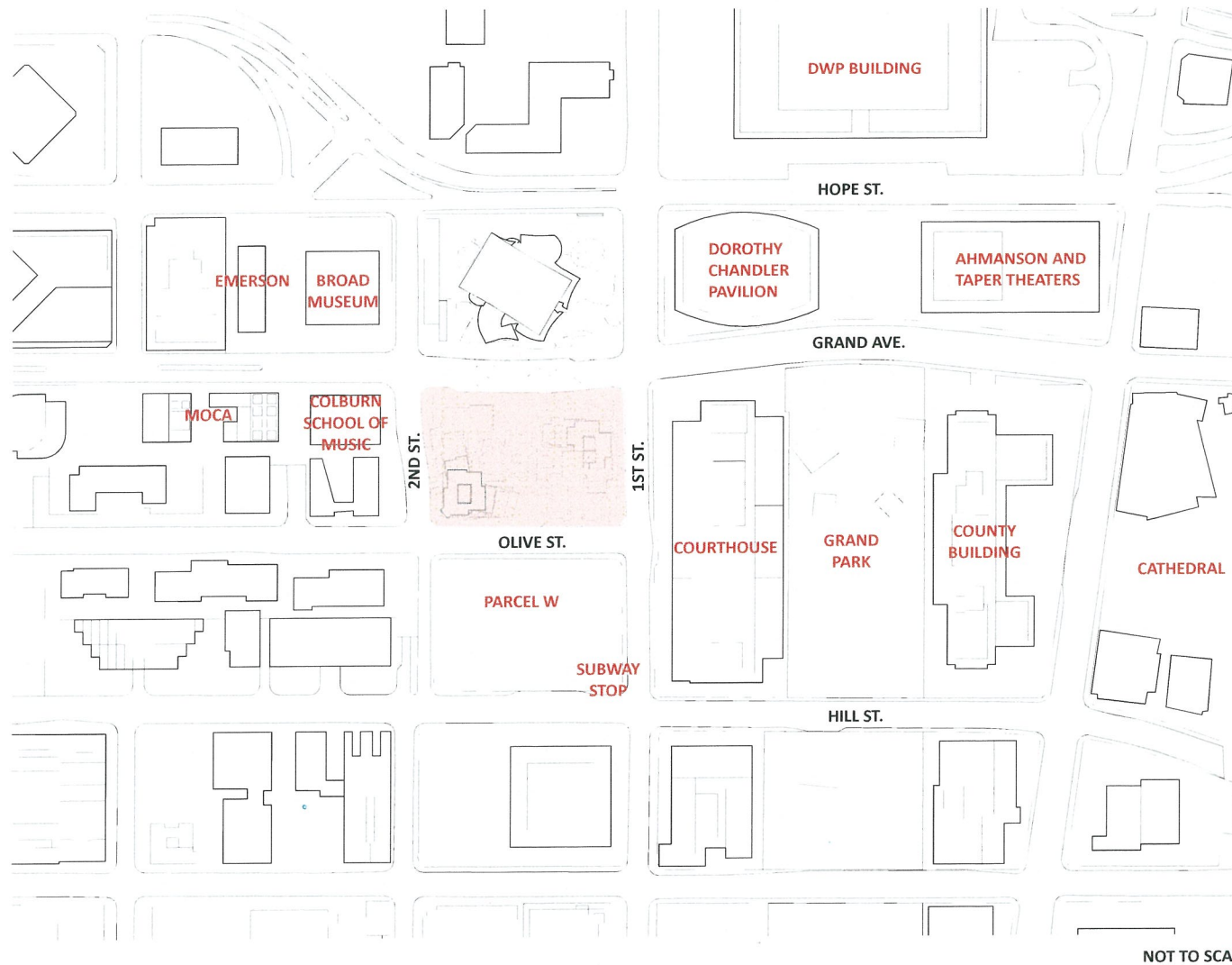
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1.3 PROJECT PROGRAM DEMARCATION IN MASSING

1.4 OVERALL ARCHITECTURAL EXPRESSION







GRAND AVENUE PROJECT - SCHEMATIC DESIGN

GEHRY PARTNERS, LLP

JPA PRESENTATION





2. HOTEL REVIEW

2.1 HOTEL IDENTITY AND ARCHITECTURAL LANGUAGE

2.2 ARRIVAL SEQUENCE

HOTEL GUEST

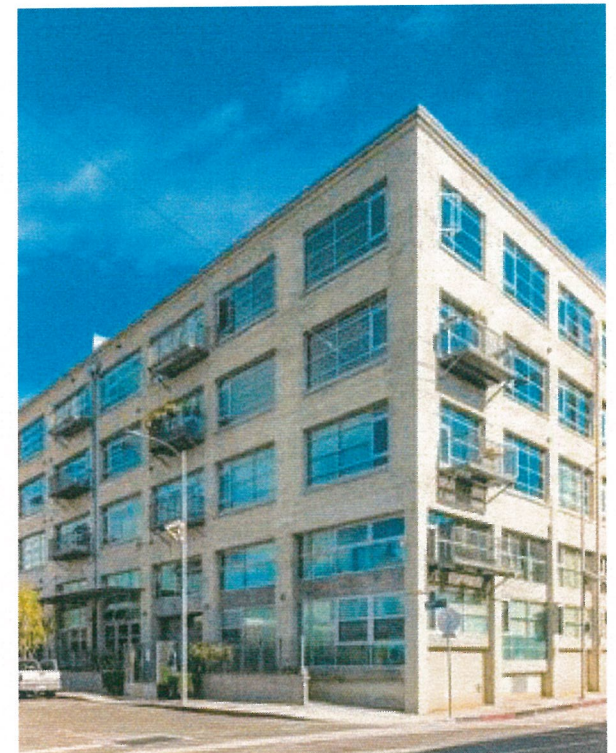
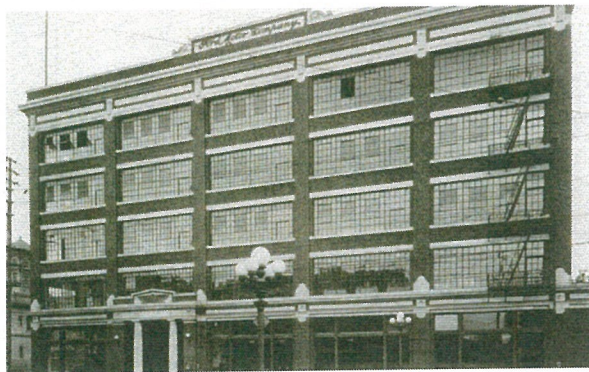
EVENT GUEST

EQUINOX FITNESS CLUB GUEST

SPA GUEST

HOTEL ROOM FLOORS

HOTEL BOH



GRAND AVENUE PROJECT - SCHEMATIC DESIGN

GEHRY PARTNERS, LLP

JPA PRESENTATION





3. RETAIL REVIEW

3.1 RETAIL IDENTITY AND ARCHITECTURAL LANGUAGE

3.2 ARRIVAL SEQUENCE

RETAIL / F&B

CINEMA

RETAIL



RETAIL

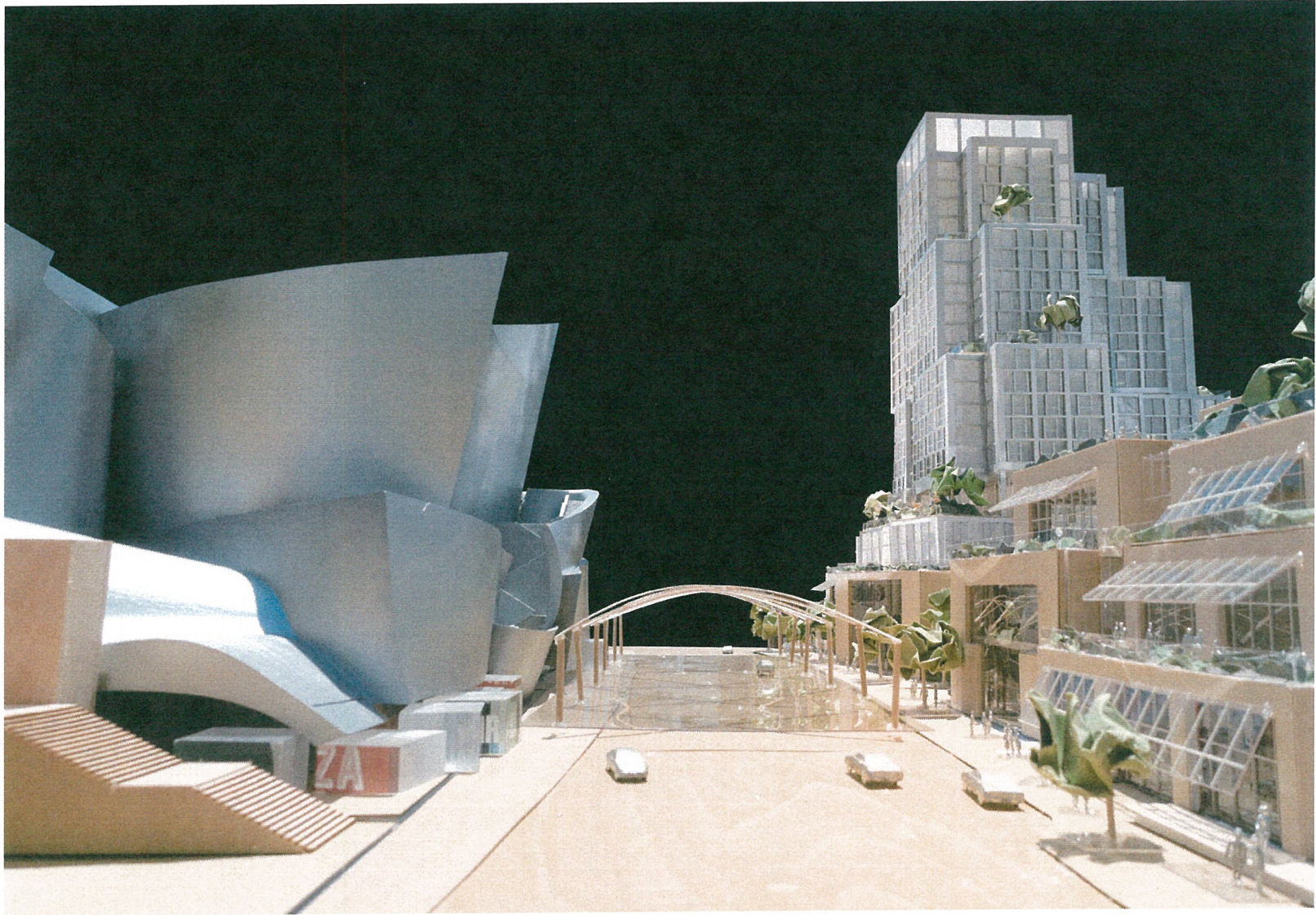


3. RETAIL REVIEW

3.1 RETAIL IDENTITY AND ARCHITECTURAL LANGUAGE

3.2 ARRIVAL SEQUENCE

RETAIL / F&B
CINEMA





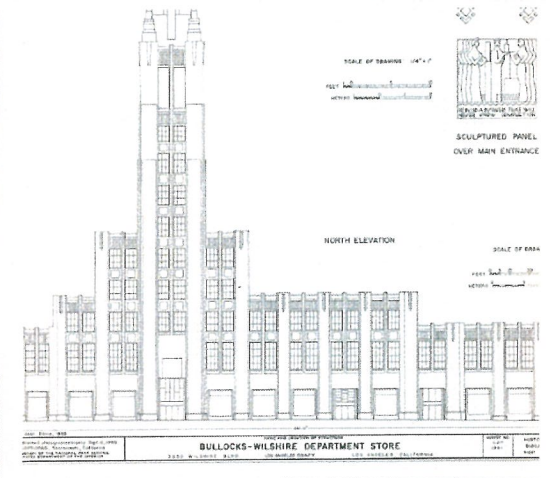
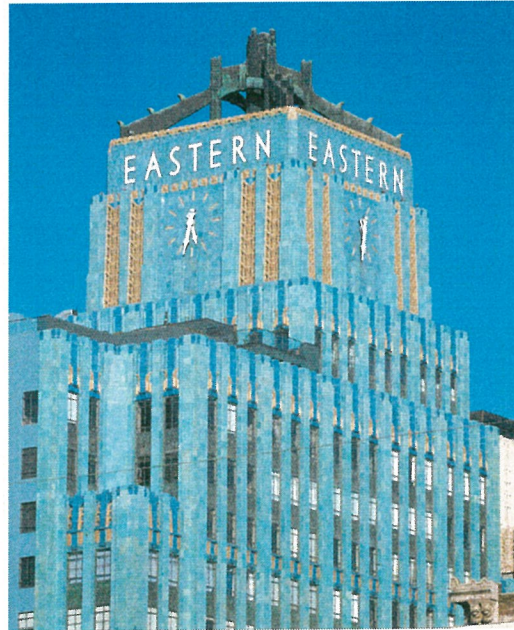
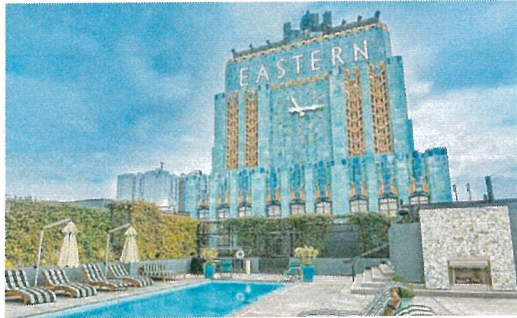
4. RESIDENTIAL REVIEW

4.1 RESIDENTIAL IDENTITY AND ARCHITECTURAL LANGUAGE

4.2 ARRIVAL SEQUENCE AND DROP OFF

4.3 RESIDENTIAL TOWER CONFIGURATION

4.4 AMENITIES



GRAND AVENUE PROJECT - SCHEMATIC DESIGN

GEHRY PARTNERS, LLP

JPA PRESENTATION







THE LOS ANGELES GRAND AVENUE AUTHORITY
c/o County of Los Angeles
Chief Executive Office
Kenneth Hahn Hall of Administration, Room 754
Los Angeles, CA 90012

September 15, 2017

Core/Related Grand Ave Owner, LLC
c/o The Related Companies, L.P.
60 Columbus Circle, 19th Floor
New York, NY 10023

Re: Phase I (Parcel Q) - Conditional Approval of Schematic Design Drawings

Ladies and Gentlemen:

Reference is hereby made to that certain Disposition and Development Agreement (Grand Avenue) dated as of March 5, 2007 (the “**Original DDA**”), as amended by various amendments including that certain Fifth Amendment to Disposition and Development (Grand Avenue) by and among The Los Angeles Grand Avenue Authority, a California joint powers authority (“**Authority**”), Core/Related Grand Ave Owner, LLC (“**Developer**”), and Grand Avenue L.A., LLC, dated as of December 28, 2016 (the “**Fifth Amendment**”). The Original DDA and amendments thereto are collectively referred to herein as the “**Amended DDA**.” Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the Amended DDA.

The Amended DDA required Developer to submit Schematic Design Drawings for Phase I of the Grand Avenue Project (Parcel Q) to Authority for its review and approval (or disapproval). By a letter dated June 13, 2017, Latham & Watkins, as counsel to Developer, confirmed the submittal of the Phase I Schematic Design Drawings to the Authority on May 23, 2017 by electronic transmittal and on May 30, 2017 by delivery of hard copies. In response to a request from Authority staff for additional detailed information including on parking, pursuant to an email from Latham & Watkins dated July 11, 2017, Developer submitted additional information labelled “confidential draft” regarding the previously submitted Phase I Schematic Design Drawings including an analysis of “Substantial Conformance to Scope of Development.” Due to the late submittal of such additional information, Authority informed Developer, by a letter dated July 24, 2017, that the deadline for the Authority to approve or disapprove the Phase I Schematic Design Drawings is September 26, 2017.

Per Section 405 of the Original DDA, the purpose of Authority’s review of the Phase I Schematic Design Drawings and other Project Documents is to ensure consistency with the approved Scope of Development and the provisions of the Amended DDA. The Scope of Development for Phase I, attached to the Fifth Amendment as Exhibit “A”, is referred to herein as the “**Phase I Scope**.” Section 402 of the Original DDA provides that “[i]n designing and constructing the Project, the Developer shall cause all subsequent design documents to be substantially consistent with the approved Scope of Development unless otherwise approved by

the Authority. The Scope of Development shall establish the baseline design standards from which the Developer shall prepare all subsequent Project Documents.” The Phase I Scope expressly states that “Developer shall develop Parcel Q such that the resulting Phase I project is of the same quality as the original approved project contemplated by the Original DDA (as determined by the Authority and the County Board in their sole discretion.”

With respect to Schematic Design Drawings, Section 404(1) of the Original DDA defines the required criteria as follows:

“The “**Schematic Design Drawings**” logically evolve from the approved Concept Design Drawings by clearly defining the development of the Development Site. These drawings shall include floor plans, elevations, features in public areas, landscape features, parking facilities with all spaces indicated, building sections indicating general construction techniques and major building materials under consideration, potential exterior materials, the potential colors and textures to be used and the off-site public improvements to be implemented by the Developer. Key interior, exterior and structural bay dimensions shall be established and a detailed tabulation of Floor Area by use provided.”

Section 405 of the Original DDA further provides that “Authority shall exercise its architectural and design approval in a commercially reasonable manner and shall not unreasonably withhold, condition or delay such approval.”

Authority has reviewed the Phase I Schematic Design Drawings and related information submitted by Developer in light of the foregoing requirements and other applicable requirements of the Amended DDA and the Phase I Ground Lease dated as of March 5, 2007 (as amended, the “**Amended Ground Lease**”).

Authority hereby approves the Phase I Schematic Design Drawings, subject to and conditioned upon Developer’s compliance with the conditions set forth in Schedule 1 attached hereto (the “**Schematic Approval Conditions**”). Developer’s failure to comply with the Schematic Approval Conditions may result in the Authority’s revocation of its approval of the Phase I Schematic Design Drawings, provided that Sections 1302 and 1303 of the Original DDA, as to Notice of Default and Time to Cure, shall apply.

The Schematic Approval Conditions apply to both improvements funded entirely by private funds and to improvements for public use and/or access on Parcel Q funded in whole or in part by public funds. Condition 1 of the Schematic Approval Conditions applies to two elements funded in whole or in part by public funds, which are the proposed streetscape improvements and public open spaces in Phase I. When submitted as provided in Condition 1, the Schematic Design submittal for the proposed streetscape improvements and public open spaces will be subject to the Authority’s approval in its sole discretion.

The Schematic Approval Conditions also deal with the Schematic Design submittal for landscaping and include conditions for the parking improvements. As to these components, in accordance with Section 405 of the Original DDA, “[f]ollowing Authority’s approval of

Schematic Design Drawings for privately-owned improvements, Authority shall review the Design Development Drawings and Final Construction Documents solely for the purpose of confirming that such drawings and documents are a logical evolution of the approved Schematic Design Drawings and do not materially vary therefrom.” Notwithstanding the foregoing, due to the conditional nature of Authority’s approval of the Phase I Schematic Design Drawings, Authority’s review of the Design Development Drawings, Final Construction Documents and any other submittals required by the Phase I Schedule of Performance shall also be for the purpose of determining whether or not Developer has satisfied the applicable Schematic Approval Conditions. As with Authority’s exercise of its other architectural and design approvals for privately owned improvements, such review as to conditions related to landscaping and parking shall be conducted in a commercially reasonable manner and Authority shall not unreasonably withhold, condition or delay such approval.

With respect to the “logical evolution” reference in said Section 405, and without limiting the provisions of the Amended DDA, Authority hereby agrees that up to a five percent (5%) increase or decrease in the number of Hotel keys or in the square footage of the Retail Improvements (which includes retail, restaurant, health club, and cinema uses) from that shown in the approved Phase I Schematic Design Drawings shall be considered a “logical evolution.” Furthermore, up to a five percent (5%) increase or decrease in the total number of residential units from that shown in the approved Phase I Schematic Design Drawings shall also be considered a “logical evolution” for purposes of Section 405 of the Original DDA, provided that at all times at least 20% of the total number of residential units shall constitute Affordable Housing Units.

Authority’s review and conditional approval of the Phase I Schematic Design Drawings as set forth herein is solely for the purpose of determining whether Developer has complied with its obligations under the Amended DDA, and shall not be relied upon by Developer or any third party as a warranty or representation by Authority, CRA/LA, City or County as to the quality or suitability of the design or construction of Phase I.

Developer is also required to obtain the approval by the County Board of Supervisors of the Phase I Schematic Design Drawings. This letter is also being provided to the County for its review in connection with its review of the Phase I Schematic Design Drawings.

[signatures on following page]

Very truly yours,

THE LOS ANGELES GRAND AVENUE
AUTHORITY,
a California joint powers authority

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

Michael N. Feuer
City Attorney

By: _____
Timothy Fitzpatrick
Deputy City Attorney

APPROVED AS TO FORM

Mary C. Wickham
Interim County Counsel

By: _____
Helen S. Parker
Principal Deputy County Counsel

Acknowledged and agreed this ____ day of
September, 2017.

CORE/RELATED GRAND AVE OWNER, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

cc: County Board of Supervisors:
Attention: Sachi Hamai-CEO
Helen Parker, Esq.
Paul S. Rutter, Esq.
Diane Hvolka, Esq.
Thomas Webber, Esq.
Tim Fitzpatrick, Esq.
Brad Bolger
Clare Eberle
Cesar Diaz
Christine Frias
Alisa Chepeian

SCHEDULE 1

PHASE I SCHEMATIC DESIGN APPROVAL CONDITIONS

1. Landscaping, Streetscape Improvements and Public Open Spaces. The Phase I Schematic Design Drawings submitted to Authority do not provide sufficient design details regarding the proposed landscaping, streetscape improvements or the public open spaces in Phase I. Developer must submit schematic design details on all landscaping, streetscape improvements and public open spaces for Phase I on Parcel Q, for approval by Authority, at least 75 days prior to submission of 100% Design Development Drawings and Preliminary Landscape Plans for Phase I. Authority reserves all of its rights to approve or disapprove the details of the landscaping, streetscape improvements and public open spaces in the Phase I project once those details are submitted to Authority.

2. Parking. The Phase I Scope states that “Phase I will provide for approximately 1,350 parking spaces, with an additional capacity of 150 spaces from valet assisted parking in order to be able to accommodate a total of 1,500 vehicles.” The Phase I Schematic Design Drawings reflect a reduction in the number of on-site parking spaces from 1,350 to 800 (which will be both self-parked and valet-parked), with overflow parking to be provided at offsite locations near Parcel Q. Authority’s approval of the Phase I Schematic Design Drawings with such reduction in on-site parking spaces is expressly conditioned upon (i) Developer satisfying all of the Phase I Parking Requirements (as defined below), and (ii) Developer providing to Authority, prior to the issuance of any building permits for Phase I, a letter from the City confirming that Developer’s parking plan for Parcel Q, including 800 on-site striped parking spaces, is in compliance with City requirements.

The Phase I Parking Requirements shall be included in the Parking Management Plan which (per the Amended DDA and the Amended Ground Lease) Developer is required to develop and submit to the Governing Entities for their respective approvals prior to the commencement of construction of the Phase I Improvements. The Parking Management Plan shall be subject to the approval of Authority, County, CRA/LA and the City, which approvals shall not be unreasonably withheld, delayed or conditioned. It shall be deemed reasonable for Authority (or any of the other Governing Entities) to disapprove any proposed Parking Management Plan which does not satisfy all of the Phase I Parking Requirements, or which is inconsistent with the Phase I Parking Requirements. The Phase I Parking Requirements are not the only criteria to be addressed in the Parking Management Plan. For example, Section 215(2) of the Original DDA provides that the Parking Management Plan shall include “the policies and procedures for the operation of the Public Space Improvements and the Public Parking, as well as the parking rates to be charged in the Public Parking.

The “**Phase I Parking Requirements**” are as follows:

- The completed improvements on Parcel Q shall at all times include at least 800 on-site striped passenger vehicle parking spaces. Developer shall utilize commercially reasonable good faith efforts to avoid vehicular queuing at any time from any of the parking entrances on Parcel Q onto adjacent public streets in its management of the parking program for Phase I. Developer shall use a variety of

reasonable methods to avoid such vehicle queuing onto streets, including but not limited to, the design of the Project's interior parking circulation and the management of parking valet operations. The Parking Management Plan shall include provisions for Developer to take appropriate and immediate steps to redirect visitors to other offsite parking locations in the event of significant vehicle queuing onto adjacent public streets around Parcel Q.

- As a condition precedent to Authority's issuance of a Certificate of Completion for Phase I (or any Component thereof), Developer shall furnish Authority with evidence reasonably satisfactory to Authority that Developer will at all times cause Phase I to include sufficient parking for all residents, retail customers, hotel guests and other visitors to Parcel Q, through the use of self-park and valet-park onsite parking, and valet-parking at offsite locations that are contractually obligated to provide such parking. With respect to parking to be accommodated at offsite locations, such evidence shall include (without limitation) copies of recorded parking covenant(s) in favor of Parcel Q that burden one or more offsite parking garages, parking license agreement(s) with one or more owners of offsite parking garages, or similar agreements which benefit the owners of Parcel Q and obligate the offsite property owner(s) to provide the required amount of offsite parking. If any such agreement is a parking license that is terminable by the licensor, then Developer shall provide Authority with evidence of the replacement of any such license with a new license for an equivalent amount of offsite parking prior to the termination date of the prior license.
- Developer shall cause Phase I to participate in the "Downtown TMO" and work with Fixing Angelenos Stuck in Traffic ("FAST") or similar groups on initiatives such as: including a Mobility Hub on Parcel Q, which shall display and provide information on transit, carpool and other mobility options; and buying Transit Access Pass ("TAP") cards in bulk at discounted rates for purchase by employees of the Phase I retailers and Hotel employees at the discounted rate.
- Developer shall provide the tenants of the Affordable Housing Units that do not park onsite at on-site residential tenant parking rates with the opportunity to self-park at offsite locations which are within reasonable walking distance from the Phase I residential tower, including the locations within the boundaries shown on the attached exhibit. The rate charged to such Affordable Housing Unit tenants shall at all times be reasonably discounted as compared to the rate charged for on-site self-parking.
- The Phase I drop-off lane shall accommodate and allow carpool drop-offs in order to encourage car-pooling by employees at the project.
- Parking spaces shall not be "bundled" into the rent charged to renters of market or affordable apartment units in Phase I, so that each renter may elect whether or not to rent a parking space for his/her unit for a separate monthly fee (recognizing that some renters may elect not to lease parking spaces, thus freeing up capacity for other tenants/users).

- The parking rates to be charged to visitors to the Hotel and Retail Improvements shall be set forth in the Parking Management Plan, which shall include details for a periodic rate review process reasonably acceptable to Authority, consistent with the Amended DDA and Amended Ground Lease. Authority intends that parking for visitors to the Hotel and retailers in the Retail Improvements will be at market rates for parking including hourly rates that are at or below the parking rates charged by other similar developments in the City, and that such rates will be low enough to attract retail patrons to Phase I.

FOURTH AMENDMENT TO
JOINT EXERCISE OF POWERS AGREEMENT

The Joint Exercise of Powers Agreement dated as of September 2, 2003 by and between the County of Los Angeles ("County"), California, and the CRA/LA, a Designated Local Authority, a public body formed under Health and Safety Code Section 34173(d)(3) as successor to the Community Redevelopment Agency of the City of Los Angeles ("CRA") and previously amended, is hereby amended as follows:

1 Section 5.05 "Revenue Participation" is hereby amended by the amendment of the final paragraph to read as follows:

"If (a) the Authority has not entered into a ground lease or ground leases for all of the Properties on or prior to January 30, 2018 with a developer or developers for construction and operation of a revenue-producing development thereon, or (b) a previously executed ground lease is terminated prior to the commencement of construction, then the Contracting Parties shall reset the respective percentage shares of the net revenues in accordance with the foregoing provisions of this Section based on the approved fair market value appraisal as required in the previous paragraph. Thereafter Exhibit A shall be revised to include only the Properties subject to a ground lease or leases from the Authority to a developer. If litigation is brought by a third party challenging the Deposition and Development Agreement between the Authority and Grand Avenue L.A., L.L.C. dated concurrently herewith, the date of January 30, 2018 in the preceding sentence shall be extended by the amount of time required to resolve such litigation.

WHEREFORE, the Parties have executed this Agreement as of
_____, 2017.

CRA/LA

A DESIGNATED LOCAL AUTHORITY
AND SUCCESSOR TO THE
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF LOS
ANGELES, a public body, corporate and
politic

Dated

By: _____

Estevan Valenzuela

Its: Chief Executive Officer

APPROVED AS TO FORM

Goldfarb & Lipman LLP

By: _____

Thomas Webber

Agency Special Counsel

APPROVED AS TO FORM:

Mary Wickham
County Counsel

By: _____

Helen S. Parker

Principal Deputy County Counsel

COUNTY:

THE COUNTY OF LOS ANGELES, a
political subdivision of the State of
California

By: _____

Sachi Hamai

Chief Executive Officer

Dated: _____