

MEMORANDUM

**REVISED**  
**Amended 06/11/14,**  
**Changed as marked**

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**DATE:** JUNE 13, 2014

SP2020  
ROPS# N/A

**TO:** GOVERNING BOARD

**FROM:** STEVE VALENZUELA, CHIEF EXECUTIVE OFFICER

**STAFF:** BARRON MCCOY, CHIEF OPERATING OFFICER  
NEELURA BELL, SPECIAL PROJECTS OFFICER

**SUBJECT: METROPOLIS PROJECT.** Consideration of an Addendum to the Project EIR; approval of the revised and updated Master Concept Plan, including the Concept Drawings for Phase 2, and approval of a Fourth Implementation Agreement to the Amended and Restated Owner Participation Agreement for the development of Metropolis, a proposed mixed-use development located between the Harbor Freeway, James M. Wood Boulevard, Francisco Street and Eighth Street in the former Central Business District Redevelopment Project.

**RECOMMENDATIONS**

That the Governing Board take the following actions:

1. Adopt the attached Resolution (Attachment A) stating that the Board has considered the 2014-2 Addendum to the Project EIR prepared for the Metropolis Project; adopting the Mitigation Monitoring and Reporting Program and making other findings pursuant to the California Environmental Quality Act ("CEQA");
2. Approve the Modified Master Concept Plan including the Concept Design Drawings for Phase 2, Scope of Development, and Schedule of Performance; and,
3. Approve the Fourth Implementation Agreement and authorize the Chief Executive Officer (CEO), or designee, to execute the Agreement and any such other documents necessary to effectuate the Agreement.

**SUMMARY**

The Metropolis Project Owner Participation Agreement (OPA) calls for the development of a significant assemblage of currently vacant land adjacent to the Los Angeles Sports and Entertainment District and the Harbor 110 Freeway. The Developer has requested a modification to the OPA to revise the Master Concept Plan, Scope of Development, and development components for Phase 2, to reinstate and modify a portion of the Developer's TFAR rights and to change the conditions for the Developer's right to terminate the OPA with respect to Phase 2. The proposed modifications will allow the Metropolis Project to move quickly towards commencement of construction on the approved Phase 1 development.

## **DISCUSSION AND BACKGROUND**

The Metropolis Project was originally planned as a four-phased mixed-use office complex to be built just east of the Harbor 110 Freeway and north of James M. Wood Boulevard. The original OPA was executed on January 3, 1991 with City Centre Development (CCD). Subsequently, the City of Los Angeles entered into a Development Rights Agreement with CCD, vesting the project's entitlements as provided in the OPA. In 2005, CCD transferred its rights under the OPA to LA Metropolis, LLC, an affiliate of IDS Real Estate Group. Subsequently, IDS assigned its rights to the OPA on January 31, 2014 to Greenland ~~LA~~ Metropolis ~~LA~~ Acquisition LLC (Developer).

The purpose of the original OPA was to utilize the Prior Agency's assistance to complete site assembly and to provide a transfer of floor area (TFAR), from Convention Center TFAR controlled by the Prior Agency, to allow up to a 10:1 Floor Area Ratio (FAR) necessary for the development. Although the anticipated development has not yet resulted due to economic factors and extended litigation (now settled), the Developer has completed full site assembly and achieved other development milestones including vacation of streets, environmental clearance, partial payment of required community benefits, approval of a subdivision map, implementation of mitigation obligations (including preparation of engineering and construction documents for an off-ramp at the Harbor Freeway constructed by CalTrans). The Developer is moving forward with construction of Phase 1, which it anticipates starting this summer.

On March 6, 2014, the Governing Board approved the Third Implementation Agreement, and adopted a resolution certifying its consideration of the 2014 Addendum to the Final Environmental Impact Report and adoption of the Mitigation and Monitoring Program. The Third Implementation Agreement modification changed the phasing of the development from four phases to two including Phase I consisting of Parcels A & B, and Phase II consisting of parcels C, D and E.

### *Location*

Project is located between the Harbor Freeway, James M. Wood Boulevard, Francisco Street and Eighth Street (See Attachment B: Location).

### *Developer Entity*

Greenland ~~LA~~ Metropolis ~~LA~~ Acquisition LLC, is a Delaware limited liability company, comprised of two members; Greenland US Holding Inc. and Greenland US Commercial Holding Inc., both of which are American holding companies of the Greenland Group of Shanghai.

### *Project Description and Proposed OPA Modifications*

The updated Master Concept includes two Phases totaling 2,014,506 square feet resulting in an overall FAR of 7.3:1. Phase 1 land will be improved with hotel, residential and retail uses together with a plaza and parking areas. The Hotel will include up to 350 guest rooms and ancillary common space, along with approximately 6,300 square feet of retail and restaurant space on the ground floor. The residential tower contains approximately 310 condominium dwelling units, along with approximately 1,026 square feet of retail and restaurant space. In the revised scope, the total Floor Area for Phase 1 is increased slightly from 609,450 to up to 610,752 square feet. Staff has reviewed the Design Drawings for Phase 1 and has determined that as they are a logical evolution of the Schematic Drawings and consistent with the Downtown Design Guide (DTDG) and OPA has approved them under the authority delegated in the OPA.

For Phase 2, the Developer has submitted a request for a Tract Map Modification that will combine three lots which will be improved with condominium dwelling units, restaurant and retail uses within two residential towers containing up to approximately 1,403,754 square feet which is 351,942 360,000 square feet more than approved in the Third Implementation Agreement. The two residential towers will consist of up to 1,250 condominium dwelling units plus up to approximately 67,577 square feet of retail and restaurant space. In addition to 33% more square footage, the other significant change is increasing the number of residential units through the elimination of up to two of the originally planned hotels and office tower. The revised project scope increases the overall FAR, including both phases, from 6:1 to up to 7:3:1. Therefore, the Developer is requesting reinstatement of a portion of the TFAR rights which were eliminated in the Second Implementation Agreement.

The following chart illustrates the revised scope for Phase 2 in the proposed Fourth Implementation Agreement.

	METROPOLIS PROJECT- PHASE 2		
	Residential Tower 2	Residential Tower 3	TOTAL
Residential	510 units	740 units	1,250 units
Retail Podium	67,557 sf		67,557 sf

Staff has reviewed the modified Concept Master Plan which includes a revised scope for Phase 2. The modified plan generally conforms to the DTDG, and a more detailed compliance review will be done at the Schematic Phase. The modified Concept Master Plan is therefore recommended for approval. The modified Phase 2 Concept Plan eliminates the originally planned office tower and second and potentially third hotels. The Developer has determined that it is not economically feasible to build hotels or an office tower on the Phase 2 site in light of the uncertainty associated with the planned expansion of the Los Angeles Convention Center in connection with a professional football team and stadium. The planned alternative of additional residential units will contribute significantly to the ongoing revitalization of the downtown area near a high-capacity transit system. Further, the reinstated TFAR and related public benefit payments will pay for additional amenities and community benefits enhancing the downtown district, complementing and sustaining the area's growth. In addition to reinstating the Developer's TFAR rights and obligations, the Fourth Implementation agreement also accelerates the public benefit payment obligation. The Developer will make this payment following CRA/LA's delivery of a fully executed copy to the Developer of the Fourth Implementation Agreement. Developer intends to make a payment in the amount of \$8,377,200 to various recipients as set forth in the Public Benefit Plan attached to the Fourth Implementation Agreement as Attachment No. 4.

The final action of the Fourth Implementation Agreement is the updating of the Developer option to terminate the Restated OPA with respect to Phase 2. It provides the Developer with the right to terminate the Restated OPA Phase 2 at any time following the making of the required TFAR Payment, but prior to the issuance of a foundation permit for Phase 2. As consideration for CRA/LA's agreement to terminate the OPA with regard to Phase 2, the Developer will contribute \$500,000 for the benefit of Grand Hope Park to maintain open space in South Park, in addition to the previously forfeited \$1,400,000 letter of credit to CRA/LA.

**SOURCE OF FUNDS**

No CRA/LA funding is required for this action.

**BASIS FOR APPROVAL**

The recommended actions are consistent with and authorized by provisions of Assembly Bill 1x-26 and AB1484 which states that it is the intent of the Legislature to require successor agencies to expeditiously wind down the affairs of the dissolved redevelopment agencies and to provide successor agencies with limited authority that extends only to the extent needed to implement a wind-down of redevelopment agency affairs.

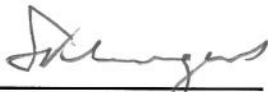
**ROPS AND ADMINISTRATIVE BUDGET IMPACT**

Although the OPA is considered an enforceable obligation there is no affiliated ROPS # as the OPA does not require any financial contribution from the CRA/LA-DLA. The Successor Agency has been allocated RPTTF funding for staffing costs associated with monitoring implementation of this enforceable obligation.

**ENVIRONMENTAL REVIEW**

In March 2014, the Governing Board reviewed the Project EIR, which was comprised of the 1989 Final EIR, the 2000 Addendum, the 2005 Addendum, the 2007 Final SEIR, the 2007 Addendum, the 2012 Addendum and the 2014 Addendum, and adopted a Resolution making the appropriate CEQA findings and adoption of mitigation measures for Phase 1 and Phase 2 of the project. The 2014-2 Addendum was prepared to analyze the proposed Master Concept Plan changes for Phase 2 and compares the impacts of the current proposal with those shown in the Project EIR as of March 2014 and concludes that neither the modifications to the project, nor changes in circumstances, nor new information will result in new significant impacts or substantial increases in the severity of significant impacts already identified. The attached resolution contains the appropriate CEQA findings and includes Governing Board adoption of the mitigation measures identified for the site.

By:



Steve Valenzuela  
Chief Executive Officer

There is no conflict of interest known to me that exists with regard to any CRA/LA officer or employee concerning this action.

**Attachments**

- Attachment A: Resolution
- Attachment B: Location / Site Map
- Attachment C: Site Plan (Approved & Modified)



**ATTACHMENT A**

**REVISED**  
**Amended 06/11/14,**  
**Changed as marked**

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CRA/LA, A DESIGNATED LOCAL AUTHORITY (SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA), CERTIFYING THAT THE AGENCY HAS CONSIDERED THE INFORMATION CONTAINED IN THE 2014-2 ADDENDUM TO THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE METROPOLIS MIXED-USE DEVELOPMENT LOCATED IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT PROJECT AREA AND ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM FOR THE 2014-2 MODIFICATIONS

WHEREAS, on October 18, 1989 the Community Redevelopment Agency of the City of Los Angeles, California ("Agency") certified by Resolution No. 4066 the Final Environmental Impact Report ("1989 Final EIR") for the Metropolis Mixed-Use Development ("Proposed Project"), located between Francisco Street, Eighth Street, the Harbor Freeway, and James M. Wood Boulevard in the Central Business District Redevelopment Project and by Resolution No. 4087 on February 15, 1990 adopted findings required by the California Environmental Quality Act ("CEQA"); and

WHEREAS, the 1989 Final EIR evaluated the potential environmental effects of developing 510,000 square feet of hotel space, 1,842,700 square feet of office space, 247,300 square feet of retail space, and 95,000 square feet of cultural institution space; and

WHEREAS, in implementation of the Central Business District Redevelopment Plan, the Agency entered into an Owner Participation Agreement ("OPA") with City Centre Development ("Developer") for the construction, development and operation of the Proposed Project; and

WHEREAS, the OPA established the terms and conditions by which the Participant would commence and ultimately complete construction of the Proposed Project; and

~~WHEREAS, the OPA is incorporated as Attachment "A" into the Development Agreement ("DA") by and between the Developer and the City of Los Angeles; and~~

WHEREAS, on August 3, 2000 the Agency considered the 1989 Final EIR and an Addendum to the 1989 Final EIR (2000 Addendum) which evaluated the environmental impacts of modifying the conditions of approval related to street vacation affecting the on-site segments of Florida Street, Eighth Place, and subsurface portions of Francisco Street, as well as associated amendments to the OPA and DA, and adopted Resolution No. 5933 finding that no new significant effects or substantial changes in the severity of impacts would occur due to the changes in the Proposed Project; and

CRA/LA, A DESIGNATED LOCAL AUTHORITY  
(Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

WHEREAS, on October 6, 2005 the Agency considered the 1989 Final EIR, ~~and an Addendum to the 1989 Final EIR, and the 2000 Addendum, and the 2005 Addendum~~ (2005 Addendum) which evaluated the environmental impacts of adjusting the development components of the Proposed Project to include up to 836 residential units, up to 480 hotel rooms, up to 48,949 square feet of retail uses, and up to 1,007,056 square feet of office uses (the "2005 Modifications") and adopted Resolution No. 6902 finding that no new significant effects or substantial changes in the severity of significant impacts would occur due to the changes in the Proposed Project;

WHEREAS, on February 15, 2007 the Agency certified by Resolution No. 7013-1 the Final Supplemental EIR ("Final SEIR") and adopted findings required by CEQA for the Proposed Project with the 2005 Modifications, which was prepared in response to a court order (L.A. Superior Court Case No. BS101354); and

WHEREAS, on September 20, 2007, the Agency considered the 1989 Final EIR, the Final SEIR, the 2000 Addendum, the 2005 Addendum and an Addendum (2007 Addendum) which evaluated the environmental impacts of modifications to Phase I of the Proposed Project, and adopted Resolution No. 7079 finding that no new significant effects or substantial changes in the severity of impacts would occur due to the changes in the Proposed Project and other findings required by CEQA; and

WHEREAS, on September 20, 2012, the CRA/LA, A Designated Local Authority (Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, California) ("CRA/LA-DLA") considered the 1989 EIR, the Final SEIR, the 2000 Addendum, the 2005 Addendum, the 2007 Addendum and the 2012 Addendum (2012 Addendum) which evaluated the environmental impacts of reducing project size from 3.27 million square feet to 1.94 million square feet, along with changes in land uses, and adopted Resolution No. 025 finding that no new significant effects or substantial changes in the severity of impacts would occur due to the changes in the Proposed Project; and

WHEREAS, on March 6, 2014 CRA/LA-DLA considered the 1989 EIR, the Final SEIR, the 2000 Addendum, the 2005 Addendum, the 2007 Addendum, the 2012 Addendum, and the 2014 Addendum (2014 Addendum) which evaluated the environmental impacts of ~~creasing~~ changes to Phase 1, including a modification to the vesting tract map to merge and increase the size of Parcels A and B, a reduction of 50 hotels rooms and 13,705 of retail space and increase of residential units by 20 with corresponding increase in residential floor area by 49,998 square feet, a reduction in the hotel tower height (344 ft. to 271 ft.), and an increase in the residential tower height (432 ft. to 442 ft.); and

WHEREAS, the Developer now proposes to further modify the Proposed Project by preparing a Tract Map modification to merge the three parcels that comprised Phase 2 and changing the land uses in Phase 2 by replacing the proposed hotel rooms and office tower with residential units. ("2014-2 Modifications"); and

WHEREAS, CRA/LA-DLA proposes to amend the OPA by incorporating the 2014-2 Modifications into the OPA and thereby amending the OPA with a ~~Third~~ Fourth Implementation Agreement; and

WHEREAS, CRA/LA-DLA has caused to be prepared an Addendum ("2014-2 Addendum") to the 1989 Final EIR, the Final SEIR, the 2000 Addendum, the 2005 Addendum,

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the 2007 Addendum, the 2012 Addendum, and the 2014 Addendum in accordance with State CEQA Guidelines Section 15164(a), to determine whether the changes proposed to the Proposed Project could result in any of the circumstances requiring that a subsequent or supplement EIR be prepared under Public Resources Code Section 21166 (CEQA Guidelines Section 15162).

NOW THEREFORE, BE IT RESOLVED by the CRA/LA-DLA, A Designated Local Authority (Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, California) as follows:

1. The foregoing recitals are true and correct and hereby incorporated by this reference.
2. The CRA/LA-DLA Governing Board has considered the 2014-2 Addendum and has also considered the 1989 Final EIR, the Final SEIR, 2000 Addendum, 2005 Addendum, 2007 Addendum, 2012 Addendum, and the 2014 Addendum (collectively the "Project EIR");
3. Based on such consideration and in accordance with CEQA Guidelines Sections 15162 and 15163, the CRA/LA-DLA Governing Board hereby determines that no subsequent or supplemental environmental document is required for the 2014 Modifications, based on substantial evidence in the 2014 Addendum demonstrating that:
  - a. The 2014-2 Modifications do not require major revisions to the Project EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects, in that the 2014-2 Addendum provides substantial evidence that there will be no new significant effects or increase in the severity of significant effects previously identified in the Project EIR due to the changes in the project; and
  - b. No substantial changes have occurred with respect to the circumstances under which the Proposed Project with the 2014-2 Modifications are to be undertaken that will require major revisions of the Project EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects, in that the 2014 Addendum provides substantial evidence that there will be no new significant effects or increase in the severity of significant effects previously identified in the Project EIR due to the changes in circumstances; and
  - c. As shown in the 2014-2 Addendum, no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the Project EIR was adopted, shows that:
    1. The Proposed Project will have one or more significant effects not discussed in the Project EIR, or
    2. Significant effects previously examined will be substantially more severe than shown in the Project EIR, or
    3. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more

CRA/LA, A DESIGNATED LOCAL AUTHORITY  
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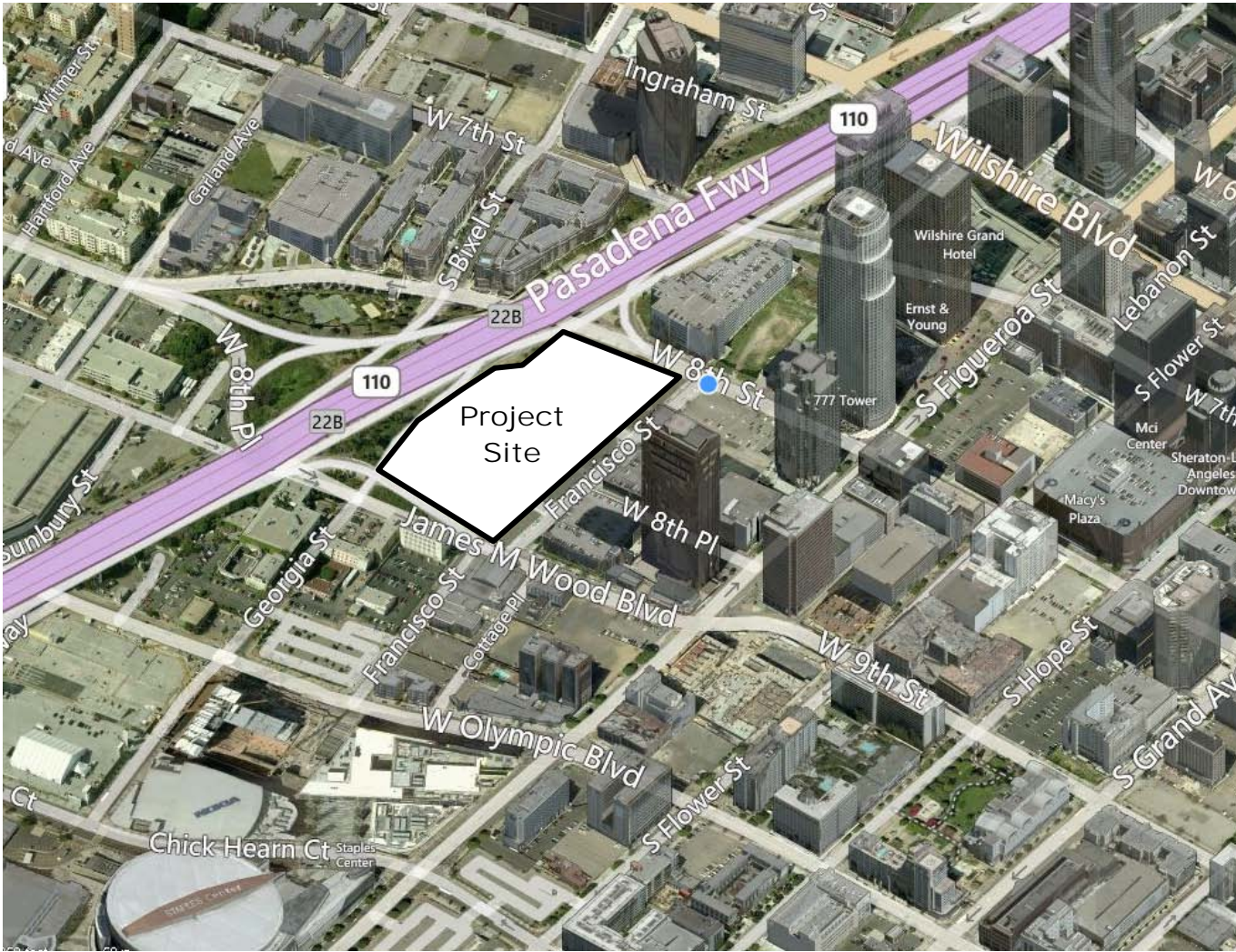
significant effects of the Proposed Project, but the project proponents decline to adopt the mitigation measures or alternative, or

4. Mitigation measures or alternatives which are considerably different from those analyzed in the Project EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.
4. The CRA/LA-DLA Governing Board hereby reaffirms those CEQA findings contained in Agency Resolutions Nos. 4087, 7013-1, and 7079, and CRA/LA-DLA Resolution No. 047.
5. The CRA/LA-DLA Governing Board has mitigated or avoided the environmental effects of the Proposed Project with the 2014-2 Modifications by adopting the Mitigation Monitoring and Reporting Program incorporated into the 2014-2 Addendum. .

ADOPTED:

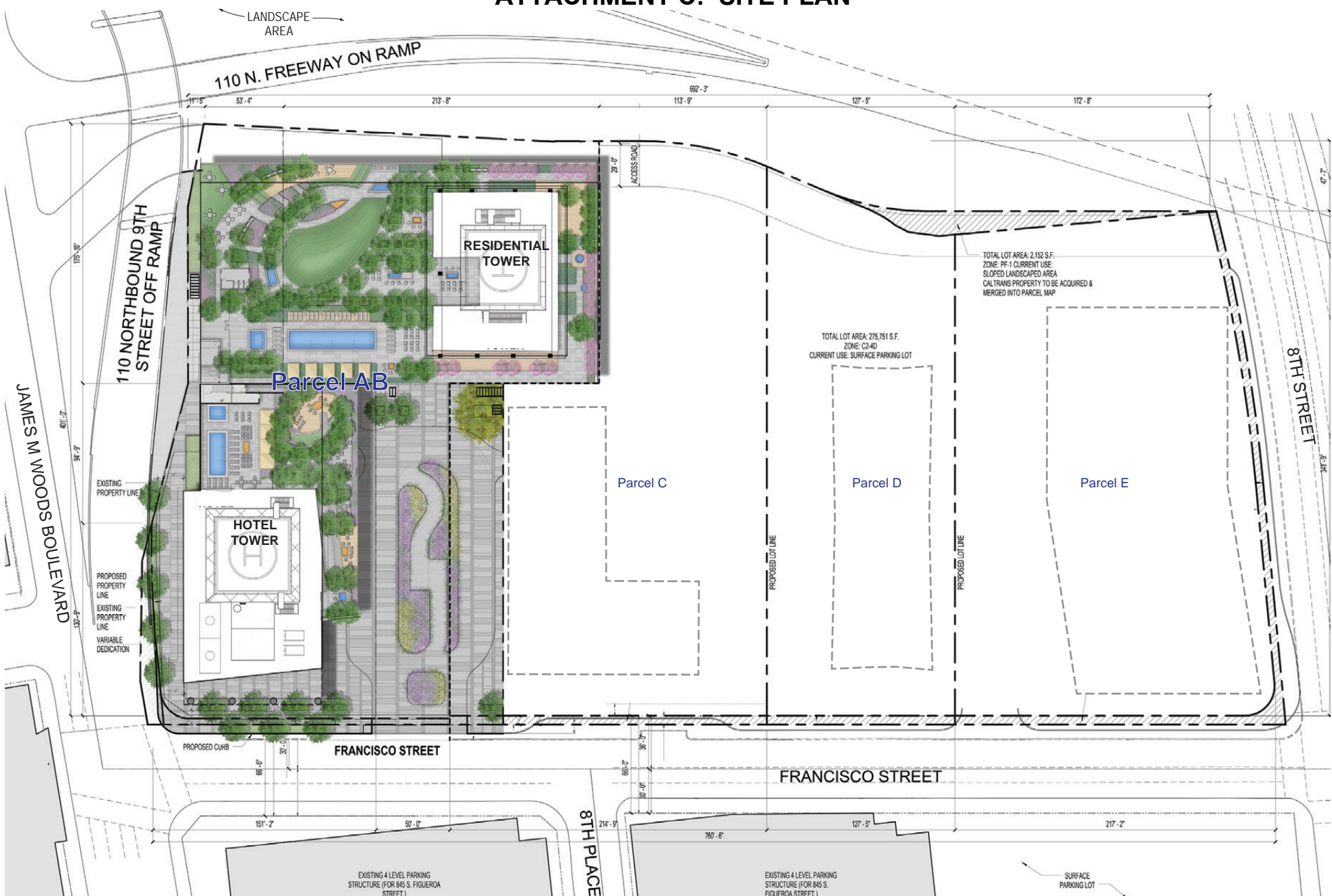


ATTACHMENT B: LOCATION / SITE MAP





ATTACHMENT C: SITE PLAN



North arrow pointing up and a scale bar indicating 0 to 100 Feet.

**Approved Project - Site Plan**

Metropolis Mixed-Use Project

Source: davidbalian, 2012 and Gensler, 2013.

FIGURE  
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FIGURE  
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