



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
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October 11, 2002

*Oct 11 - Hollywood
Joint Development*

TO: BOARD OF DIRECTORS

**THROUGH: ROGER SNOBLE
CHIEF EXECUTIVE OFFICER**

**FROM: JAMES L. de la LOZA
EXECUTIVE OFFICER
COUNTYWIDE PLANNING AND DEVELOPMENT**

**SUBJECT: HOLLYWOOD & VINE JOINT DEVELOPMENT
PROJECT; INITIATION OF EXCLUSIVE NEGOTIATIONS
WITH LEGACY PARTNERS**

ISSUE

On June 27, 2002, the Board authorized staff to enter into an Exclusive Negotiation Agreement (ENA) with Legacy Partners for the Hollywood and Vine joint development project. Since the Los Angeles Community Redevelopment Agency (CRA) and the MTA jointly sponsor the project, City approvals were also required prior to the signing of the ENA. The City of Los Angeles granted approval to enter into ENA with Legacy Partners on August 16, 2002.

On September 20, 2002, the ENA was signed by all of the above parties. This action commences the six-month negotiating period that will culminate on or before March 20, 2003. MTA staff, with the assistance of its joint development consultant, will negotiate in good faith to establish definitive financial arrangements and a development schedule. At the end of the negotiation period, staff will prepare a draft Development Agreement and Ground Lease for Board consideration.

BACKGROUND

On June 27, 2002, the MTA Board of Directors authorized the Chief Executive Officer to enter into a six-month Exclusive Negotiation Agreement (ENA) with Legacy Partners for the development of approximately 2.8 acres of MTA-owned properties located at the Hollywood and Vine Metro Red Line Station. Legacy Partners, who is partnering with Gateway Capital, and Starwood Hotels propose to build a mixed-use, transit-oriented development that would include, approximately 300 hotel rooms (232,500 sq. ft.), 200 apartments, 46 condominiums, and 30,000 square feet of ground level retail space. Additionally, Legacy Partners proposes to develop 732 parking spaces for the development on two levels below grade level.

NEXT STEP(S)

MTA staff will return with a draft Development Agreement and Ground Lease for Board consideration in approximately six months from the September 20th signing date of the ENA.