

Mixed-use project near transit hub moves ahead

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A \$1 billion development that would shape the North Hollywood skyline took a big step forward Thursday as the Metro board approved negotiating with Lowe Enterprises for the massive mixed-use project.

Details of the plan will be worked out over the next six



*A view of the METRO parking lot looking West toward Lankershim...
(John Lazar/Staff Photographer)*

months, but the initial deal for the NoHo Art Wave includes more than 1.72 million square feet of retail, commercial and residential development.

The complex on Metro-owned land at Lankershim and Chandler

boulevards would revitalize 15.6 acres near a San Fernando Valley subway and bus hub and include 562 housing units - with 15 percent set aside for low-income residents.

The largest private development in recent memory, the Art Wave also would feature three office towers, a new YMCA, community buildings and 6,200 parking spaces, with 1,500 of those set aside for Metro transit riders.

"This is exactly what North Hollywood and the MTA needs," said David Fleming, a member of the Metropolitan Transportation Authority board. "It is a quality project from a quality firm."

Fleming noted that in addition to addressing traffic mitigation concerns, Lowe Enterprises had proposed paying Metro \$10 million up front, compared with \$1 million to \$1.5 million from other bidders.

And rent from leases of Art Wave space is expected to generate \$11 million annually for the transit agency.

"It will be a boon for North Hollywood," Fleming said.

Costs for the North Hollywood project would top those for the Hollywood & Highland complex, which at \$500 million was known for years as the city's most expensive project.

Voter conflicts

Although critics blame overdevelopment for the city's jammed roadways, Metro officials said people coming to the North Hollywood complex would more likely use mass transit since it sits adjacent to the Orange Line busway and Red Line subway.

Metro staffers recommended Lowe's plan over proposals by CIM Group and Forest City, based on an outline of the development - which includes extensive environmental

considerations - the mix of residential and commercial space and the firm's financial abilities.

Robert Lowe, head of the company that has been doing business in Los Angeles for 35 years, said he is looking forward to the project and negotiations.

"We are active on a national platform on mixed-use projects," Lowe said. "We are excited about involving housing, commercial and office space and interested in talking to the staff about additional housing."

The deal to negotiate with the Los Angeles-based real estate company came after the Metro board resolved an unusual conflict-of-interest snag.

The key vote became tangled after 11 of the 13 Metro board members were barred from casting ballots because they all had received campaign contributions connected to projects considered for the site.

Only board members Richard Katz and John Fasana were without conflicts.

Because of so many conflicts, a board would usually be unable to reach a quorum to take a vote at all. But in this case, the board used an obscure lottery-based procedure to randomly select five of the 11 conflicted members to vote on the project.

Challenges ahead

Board members selected to vote on the issue included Fleming, Los Angeles County Supervisor Gloria Molina, Mayor Antonio Villaraigosa, Glendale Mayor Ara Najarian and Long Beach Vice Mayor Bonnie Lowenthal.

Metro officials said they could not immediately provide information on the specific donations but that a conflict exists if a member has received \$10 or more in the past four years.

Fleming's conflict arose because his law firm - Latham and Watkins - represents Lowe.

Despite the unanimous support Thursday, Molina said she was concerned that Lowe's plan had the fewest housing units and she questioned whether the proposal was too good to be true.

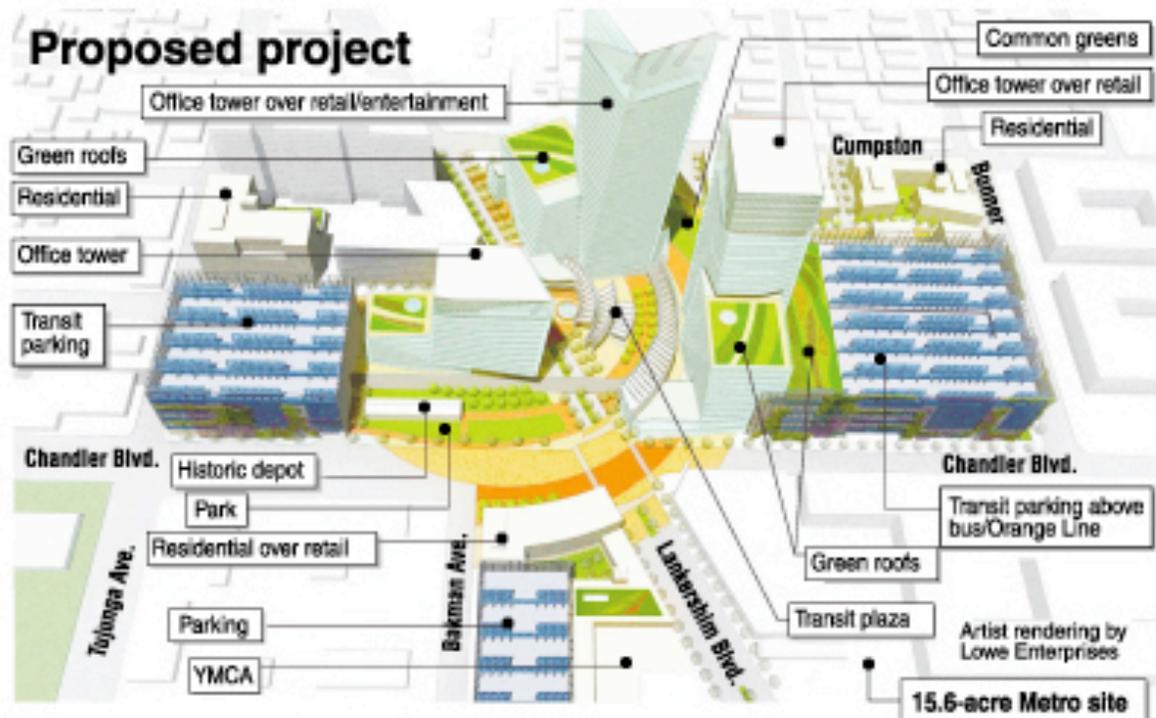
"Sometimes, when we hear these things, you wonder what is really going on," Molina said. "You wonder what is out there that could come back and cause problems later for us."

Ed Martinez, an economist at the Los Angeles County Economic Development Corp., said the project also poses challenges.

"The good side is it does what the mayor wants - increase retail sales taxes, while also providing a base of new customers for the public transit system," Martinez said.

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At-a-glance

- 1.7 million sq. ft. total development
- 1 million sq. ft. office space
- 157,000 sq. ft. retail space
- 525,860 sq. ft. residential units
- 35,000 sq. ft. community space
- 6,200 parking stalls of which 1,500 dedicated to Metro transit users

Phase I

- 14,300 sq. ft. retail/commercial
- 100 residential units
- 35,000 sq. ft. for YMCA
- 443 parking spaces in Parcel 2

Phase III

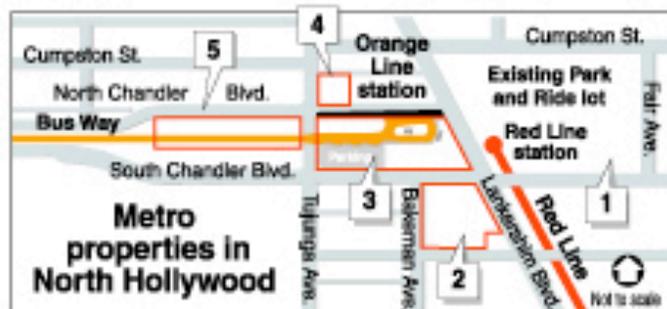
- Continues commercial office/residential build-out from Parcel 1

Phase II

- 459,800 sq. ft. commercial office
- 135,896 sq. ft. commercial retail
- 4,500 sq. ft. community use/parking

Phase IV

- Completes commercial office, retail, residential and parking components in Parcels 3 and 4



- 1 10.5 acres: Station/parking/bus layover area
- 2 1.8 acres: Weddington property
- 3 2.6 acres: Metro Orange Line Terminus/Historic train depot area
- 4 .66 acre: Currently leased to costume shop and plumbing supply store
- 5 1.83 acres: Property west of Tujunga. All leased. Not part of joint development

Sources: Metropolitan Transportation Authority and Lowe Enterprises

Warren Huskey/Staff Artist

"But the city also faces a challenge with it being so close to Burbank, which is generally considered a better-run city. Los Angeles is going to have to prove it can compete in this area."

Some North Hollywood residents also were less optimistic.

"I'm totally against it because we're having way too many apartments and condos in the area," said resident Lucia Affentranger.

"There's no protection for the people. There's too many cars, too much traffic. You can't find parking anywhere. I don't agree with this."

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Development boom

Metro officials, however, said they are confident the development will succeed.

"(Lowe's has) a history of coming in and delivering what they say," said Roger Moliere, Metro chief of real property management.

And Moliere said other projects recently completed or under way in the North Hollywood area are supplying plenty of housing.

Among these are 700 new apartments and plans for a 500-unit condominium project.

The North Hollywood area has seen a boom in development in recent years.

In January, the NoHo Arts District received a boost with a partnership's plan to invest \$30 million to build a live/work project near the Y-shape intersection on Lankershim Boulevard.

The project, a partnership among C.O. Wood Development, Habitat Group Los Angeles and Brix Properties, is described as a "contemporary mixed-used urban place."

It's planned for a 29,000-square-foot parcel at 4900 Vineland Ave., just north of Lankershim, and will include 58 condominiums in a two-building complex.

The project is within the North Hollywood redevelopment area. It's bounded by Vineland on the west, Peach Grove

Street on the south, Huston Street on the north, and an alley on the east.

Thursday's deal to move forward with the NoHo development is the latest of many for Metro.

Next month, the agency expects to unveil plans for a project next to the Red Line at Wilshire Boulevard and Vermont Avenue.

That project is set to include 450 apartments, 45,000 square feet of shops and a multistory middle school.

Also, at Hollywood Boulevard and Vine Street, Metro has leased its land for a mega-size development designed to bring glitz back to the run-down area.

That project, to be completed in about two years, includes a W Hotel, 143 high-end condos, 297 market-rate units and 78 affordable apartments.

For North Hollywood resident Paul Kersh, the latest Metro development would be near his home and he is looking forward to it.

"That's the future," he said. "It seems like a smart, positive development in the sense that it is very dense ... it's all clustered around the subway and bus line.

"At the end of the day, it helps neighborhoods' property values. It helps from a traffic perspective if people are using the bus and subway. It's making North Hollywood a liveable place, very vibrant."