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CASE NO. ZA 2014-3054(ZAD)
ZONING ADMINISTRATOR'S
DETERMINATION
2650 East Olympic Boulevard
Boyle Heights Planning Area
Zone : C2-1 and M2-1
D. M. : 120A219, 120A221, 121-5A219
C. D. : 14
CEQA: ENV 2014-2809-MND
Legal Description: FR Lot 1, Tract 9410
and Lots 2-5, Block 8, Tract 6783

Pursuant to Los Angeles Municipal Code Sections 12.24-X,1, 12.24-X,1(b)(2),12.24-X,1(b)(3) and 12.24-X,13, I hereby APPROVE:

a Zoning Administrator's Determination to permit the retention, conversion and adaptive reuse of an existing 1,840,000 square-foot warehouse and retail building (Sears Building - Historic-Cultural Monument No. 788) in the C2-1 and M2-1 Zones,

upon the following additional terms and conditions:

1. All other use, height and area regulations of the Municipal Code and all other applicable government/regulatory agencies shall be strictly complied with in the development and use of the property, except as such regulations are herein specifically varied or required.
2. The use and development of the property shall be in substantial conformance with the plot plan submitted with the application and marked Exhibit "A", except as may be revised as a result of this action.
3. The authorized use shall be conducted at all times with due regard for the character of the surrounding district, and the right is reserved to the Zoning Administrator to impose additional corrective Conditions, if, in the Administrator's opinion, such Conditions are proven necessary for the protection of persons in the neighborhood or occupants of adjacent property.
4. All graffiti on the site shall be removed or painted over to match the color of the surface to which it is applied within 24 hours of its occurrence.

5. A copy of the first page of this grant and all Conditions and/or any subsequent appeal of this grant and its resultant Conditions and/or letters of clarification shall be printed on the building plans submitted to the Development Services Center and the Department of Building and Safety for purposes of having a building permit issued.
6. Approved herein is the adaptive reuse of the Sears Building (HCM No. 788), and the new construction of a five-level parking structure with 1,502 parking spaces at 1401 South Rio Vista Avenue as depicted in the attached 'Exhibit A'. The conversion of the existing 1,840,000 square-foot building shall consist of the following:
 - a. 250,000 square feet of retail commercial space for the continued use by Sears Department Store;
 - b. 1,030 Joint Live/Work units;
 - c. The portion of the existing building in the C2 Zone shall be permitted to have live/work units open to the general population. The portion of the building located in the M2 Zone shall be limited to live/work units limited to artists and artisans, including individual architects and designers;
 - d. 250,000 square feet of creative office space; and
 - e. 93,853 square feet of ground floor retail and commercial use other than Sears.
7. In accordance with the provisions of LAMC Section 12.22-A,26, the following incentives are hereby approved:
 - a. Density: Pursuant to LAMC Section 12.22-A,26(h)(2), that joint living and work quarters shall not be subject to the lot area requirements of the zone or height district.
 - b. Off-Street Parking: Pursuant to LAMC Section 12.22-A,26(h)(3), that the required number of parking spaces shall be the same as the number of spaces that existed on the site on June 3, 1999, and shall be maintained and not reduced. The site has 436 parking spaces, which shall be re-striped to provide 613 parking spaces.
 - c. Mini-Shopping Center and Commercial Corner Development Regulations: Pursuant to LAMC Section 12.22-A,26(h)(4), that the proposed adaptive reuse project is exempt from the mini-shopping center and commercial corner development regulations set forth in LAMC Section 12.22-A,23.
 - d. Site Plan Review: Pursuant to LAMC Section 12.22-A,26(h)(5), that the proposed adaptive reuse project is exempt from the requirements of Site Plan Review set forth in LAMC Section 16.05.
 - e. Loading Space: Pursuant to LAMC Section 12.22-A,26(h)(6), that no new loading spaces be required, except the currently existing loading

The existing loading area is identified as being located at the southwest corner of the building, on the parking plan page A000.1 of the attached Exhibit 'A'.

8. In accordance with the provisions of LAMC Section 12.22-A,26(j) the following exceptions are hereby approved:
 - a. Existing floor area which exceeds that permitted by the zone, height district, specific plan, supplemental use district or any other land use regulation shall be permitted.
 - b. Existing height which exceeds that permitted by the zone, height district, specific plan, supplemental use district or any other land use regulation shall be permitted.
 - c. Existing observed yards which exceed that permitted by the zone, height district, specific plan, supplemental use district or any other land use regulation shall be permitted.
9. Parking.
 - a. The adaptive reuse project shall maintain a minimum of 613 parking spaces at 2650 East Olympic Boulevard and shall construct 1,502 new parking spaces within a new parking structure at 1401 South Rio Vista Avenue. The subject parking building shall either remain under the ownership of the developer or owner of the subject project which includes the Sears Building at 2650 East Olympic Boulevard or a covenant acknowledging and agreeing that the owner or owners shall continue to maintain said parking spaces so long as the building or use they are intended to serve is maintained. The agreement (standard master covenant and agreement form CP-6770) shall run with the land and shall be binding on any subsequent owners, heirs or assigns. The agreement so stating the maintenance of these parking spaces must be submitted to the Development Services Center for approval before being recorded. After recordation, a certified copy bearing the Recorder's number and date shall be provided to the Development Services Center for attachment to the subject case file. This agreement is separate from the agreement required under Condition No. 16 of this Determination.
 - b. Prior to the issuance of the Certificate(s) of Occupancy for any portion of the adaptive reuse of the structure at 2650 East Olympic Boulevard, the construction of the parking structure at 1401 South Rio Vista Avenue with 1,502 parking spaces shall be complete and operational.
 - c. Parking for each Joint Living and Work Quarters shall be provided at a ratio of at least one space for each unit with three habitable rooms or less.
 - d. Permanent parking for Joint Living and Work Quarters units shall be assigned and specifically reserved for tenants of said units upon completion of the project.

- e. A minimum of 20% of the parking spaces in the new parking structure shall be wired to accommodate electric vehicle charging stations.
 - f. Bicycle parking shall be provided as required by Section 12.21-A,16 of the Municipal Code.
- 10. No deviations have been requested or granted from the provisions of Section 12.22-A,26(i)(1) of the Municipal Code which requires that the minimum floor area of a Joint Living and Work Quarters is 450 square feet and that the average floor area of all Joint Living and Work Quarters is a minimum of 750 square feet.
 - 11. The applicant shall post one or more signs or symbols of a size and design approved by the Fire Department, at designated locations on the exterior of each Adaptive Reuse Project to indicate the presence of residential uses.
 - 12. Per Section 12.24-X,13, joint live/work units located in the M2 Zone portion of the building shall be restricted to the following occupations: artists and artisans and individual architects and designers. The live/work units in the C2 zoned portion of the building are not so restricted and are open to the general public.
 - 13. The authorized artists and artisan units shall have no force or effect unless and until satisfactory evidence is presented to the Department of City Planning's Development Services Center for review and attachment to the file that a business tax registration certificate has been issued to each tenant by the Office of Finance pursuant to Los Angeles Administrative Code Section 21.03 permitting those persons to engage in business as artists or artisans, individual architects or designers. This condition shall not apply to the C2 zoned portion of the building.
 - 14. Prior to the issuance of any building permits, plot plans shall be submitted for review and approval by the Fire Department Hydrant and Access Unit (213-485-5964). Access for Fire Department apparatus and personnel to and into all structures shall be required.
 - 15. The mitigation measures identified in ENV-2014-2809-MND are hereby incorporated as conditions of this grant as summarized below:
 - a. Aesthetics (Signage on Construction Barriers)
 - 1) The applicant shall affix or paint a plainly visible sign, on publicly accessible portions of the construction barriers, with the following language: "POST NO BILLS".
 - 2) Such language shall appear at intervals of no less than 25 feet along the length of the publicly accessible portions of the barrier.
 - 3) The applicant shall be responsible for maintaining the visibility of the required signage and for maintaining the construction barrier free and clear of any unauthorized signs within 48 hours of occurrence. Authorized signage shall be allowed.

b. Aesthetics (Landscape Plan)

All open areas not used for buildings, driveways, parking areas, recreational facilities or walks shall be attractively landscaped and maintained in accordance with a landscape plan and an automatic irrigation plan, prepared by a Landscape Practitioner.

c. Aesthetics (Light)

- 1) Outdoor lighting shall be designed and installed with shielding if necessary, such that the light sources cannot be seen from adjacent residential properties.
- 2) Any new lighting within the public right-of-way shall be approved by the Bureau of Street Lighting and shall be tested in accordance with the requirements of the Bureau of Street Lighting.
- 3) Any new lighting for the parking lot, parking structure, and building shall be shielded and directed away from any light-sensitive off-site uses.
- 4) Any architectural lighting shall be directed onto the building surfaces and have low reflectivity to minimize glare and limit light onto adjacent properties.

d. Air Quality

- 1) During site preparation and grading of the parking garage, the unpaved portions of the site shall be watered at least three times daily to reduce PM10 and PM2.5 emissions.
- 2) Fireplaces and hearths shall not be allowed in the residential units.
- 3) Property management for the development shall require the future use of low VOC paints and coatings for all interior and exterior applications that do not exceed 50 grams per liter of VOC content on average.

e. Tree Removal (Non-Protected Trees)

- 1) Prior to the issuance of any permit, a plot plan shall be prepared indicating the location, size, type, and general condition of all existing trees on the site and within the adjacent public right(s)-of-way.
- 2) All significant (8-inch or greater trunk diameter, or cumulative trunk diameter if multi-trunked, as measured 54 inches above the ground) non-protected trees on the site proposed for removal shall be replaced at a 1:1 ratio with a minimum 24-inch box tree. Net, new trees, located within the parkway of the adjacent public right(s)-of-way, may be counted toward replacement tree requirements.

- 3) Removal or planting of any tree in the public right-of-way requires approval of the Board of Public Works. Contact Urban Forestry Division at: 213-847-3077. All trees in the public right-of-way shall be provided per the current standards of the Urban Forestry Division the Department of Public Works, Bureau of Street Services.

f. Cultural Resources (Design Review and Construction Monitoring for Historic Resources)

The project developer shall retain a qualified professional historic architect to participate with the project team through preparation of construction documents and to monitor construction, to ensure continued conformance with the Secretary's Standards (Secretary of the Interior's Standards for Rehabilitation). The role of the historic architect will include collaboration on a range of items relating to materials selection, construction methods, design of exterior and interior alterations, and monitoring of on-going construction activities. If changes in the plans or construction would result in non-conformance with the Secretary's Standards, the Manager of the City of Los Angeles Office of Historic Resources (OHR) and project developer shall be notified by the historic architect, and no permits for the project shall be issued until conformance with the Secretary's Standards is achieved to the satisfaction of OHR. In no case shall permits for the project be issued until conformance with the Secretary's Standards is demonstrated to the satisfaction of OHR. The historic architect shall participate in a pre-construction meeting with the general contractor and subcontractors and monitor construction to completion of construction and issuance of a permanent certificate of occupancy.

g. Cultural Resources (Archaeology)

- 1) If any archaeological materials are encountered during the course of project development, all further development activity shall halt in the areas of archaeological sensitivity (excavation or disturbance may continue in other areas of the Project Site that are not reasonably suspected to overlie adjacent archeological resources), and:
 - a) The services of an archaeologist shall then be secured by contacting the South Central Coastal Information Center (657-278-5395) located at California State University Fullerton, or a member of the Register of Professional Archaeologists (ROPA) or a ROPA-qualified archaeologist, who shall assess the discovered material(s) and prepare a survey, study or report reevaluating the impact.
 - b) The archaeologist's survey, study or report shall contain a recommendation(s), if necessary, for the preservation, conservation, or relocation of the resource.
 - c) The applicant shall comply with the recommendations of the evaluating archaeologist, as contained in the survey, study or report.

- 2) Project development activities may resume once copies of the archaeological survey, study or report are submitted to:

SCCIC Department of Anthropology
McCarthy Hall 477 CSU Fullerton
800 North State College Boulevard
Fullerton, CA 92834

- 3) A covenant and agreement binding the applicant to this condition shall be recorded prior to issuance of a grading permit.

h. Cultural Resources (Paleontology)

- 1) If any paleontological materials are encountered during the course of project development, all further development activities shall halt in the areas of paleontological sensitivity (excavation or disturbance may continue in other areas of the Project Site that are not reasonably suspected to overlie adjacent paleontological resources), and:
 - a) The services of a paleontologist shall then be secured by contacting the Center for Public Paleontology – USC, UCLA, California State University Los Angeles, California State University Long Beach, or the Los Angeles County Natural History Museum – who shall assess the discovered material(s) and prepare a survey, study or report evaluating the impact.
 - b) The paleontologist's survey, study, or report shall contain a recommendation(s), if necessary, for the preservation, conservation, or relocation of the resource.
 - c) The applicant shall comply with the recommendations of the evaluating paleontologist, as contained in the survey, study or report.
 - d) Project development activities may resume once copies of the paleontological survey, study or report are submitted to the Los Angeles County Natural History Museum.
 - e) Any fossils recovered during mitigation should be deposited in an accredited and permanent scientific institution for the benefit of current and future generations.
- 3) A covenant and agreement binding the applicant to this condition shall be recorded prior to issuance of a grading permit.

i. Cultural Resources (Human Remains)

In the event that human remains are discovered during excavation activities, the following procedure shall be observed:

- 1) Stop immediately and contact the County Coroner:
1044 N. Mission Road
Los Angeles, CA 90033
323-343-0512 (8 a.m. to 5 p.m. Monday through Friday) r
323-343-0714 (After Hours, Saturday, Sunday, and Holidays)
- 2) The coroner has two working days to examine human remains after being notified by the responsible person. If the remains are Native American, the Coroner has 24 hours to notify the Native American Heritage Commission.
- 3) The Native American Heritage Commission will immediately notify the person it believes to be the most likely descendant of the deceased Native American.
- 4) The most likely descendent has 48 hours to make recommendations to the owner, or representative, for the treatment or disposition, with proper dignity, of the human remains and grave goods.
- 5) If the descendant does not make recommendations within 48 hours, the owner shall reinter the remains in an area of the property secure from further disturbance, or;
- 6) If the owner does not accept the descendant's recommendations, the owner or the descendant may request mediation by the Native American Heritage Commission.

j. Erosion/Grading/Short-Term Construction Impacts

- 1) The applicant shall provide staked signage at the site with a minimum of 3-inch lettering containing contact information for the Senior Street Use Inspector (Department of Public Works), the Senior Grading Inspector (LADBS) and the hauling or general contractor.
- 2) Chapter IX, Division 70 of the Los Angeles Municipal Code addresses grading, excavations, and fills. All grading activities require grading permits from the Department of Building and Safety. Additional provisions are required for grading activities within Hillside areas. The application of BMPs includes but is not limited to the following mitigation measures:
 - a) Excavation and grading activities shall be scheduled during dry weather periods. If grading occurs during the rainy season (October 15 through April) diversion dikes shall be constructed to channel runoff around the site. Channels shall be lined with grass or roughened pavement to reduce runoff velocity.
 - b) Stockpiles, excavated, and exposed soil shall be covered with secured tarps, plastic sheeting, erosion control fabrics, or treated with a bio-degradable soil stabilizer.

k. Geotechnical Engineering Investigation

- 1) Prior to issuance of grading or building permits, the applicant shall submit a geotechnical report, prepared by a registered civil engineer or certified engineering geologist, to the Department of Building and Safety, for review and approval. The geotechnical report shall assess potential consequences of any soil strength loss, estimation of settlement, lateral movement or reduction in foundation soil-bearing capacity, and discuss mitigation measures that may include building design consideration. Building design considerations shall include, but are not limited to: ground stabilization, selection of appropriate foundation type and depths, selection of appropriate structural systems to accommodate anticipated displacements or any combination of these measures.
- 2) The Project, including the proposed parking structure shall comply with the advice and recommendations contained within the Geotechnical Engineering Investigation, Proposed Seismic Retrofit and Geotechnical Engineering Investigation, Proposed Parking Structure.

l. Soils Report Approval Letter

The Project shall comply with the conditions contained within the Department of Building and Safety's Soils Report Approval Letter for the Proposed Seismic Retrofit and the Soils Report Approval Letter for the Proposed Parking Structure ,and as they may be subsequently amended or modified.

m. Asbestos

Prior to the issuance of any permit for the demolition or alteration of the existing structure(s), the applicant shall provide a letter to the Department of Building and Safety from a qualified asbestos abatement consultant indicating that no Asbestos-Containing Materials (ACM) are present in the building. If ACMs are found to be present, it will need to be abated in compliance with the South Coast Air Quality Management District's Rule 1403 as well as all other applicable State and Federal rules and regulations. All Floors with mastic on small wooded block shall require asbestos abatement prior to renovation or demolition activities.

n. Lead Based Paint

- 1) Prior to demolition activities, a review of building components known to contain lead-based paint shall be assessed to confirm if they remain intact. If the lead-based painted components are to be removed, waste characterization testing shall be performed to determine if the components are required to be disposed of as hazardous waste.
- 2) If the waste characterization indicates that any components are not hazardous waste, these components may be disposed of as

construction debris as long as the paint is maintained in good and tightly adhered condition. However, if the demolition or renovation activities require sanding, grinding, or torch cutting of these paints, then the lead-based paint is required to be removed prior to these activities.

- 3) All contractors shall be informed of all locations of lead-based paint, whether in good or poor condition, prior to the start of any work within the interior or exterior of the building.

o. Explosion/Release (Polychlorinated Biphenyl)

Prior to demolition activities, a polychlorinated biphenyl (PCB) abatement contractor shall conduct a survey of the project site to identify and assist with compliance with applicable state and federal rules and regulations governing PCB removal and disposal.

p. Chemicals of Potential Concern

Site grading shall be conducted under a Soils Management Plan that includes appropriate segregation and management of soils impacted with chemicals of potential concern (COPCs) so as to minimize delays and protect site workers, neighbors and the environment.

q. Emergency Evacuation Plan

Prior to the issuance of a building permit, the applicant shall develop an emergency response plan in consultation with the Fire Department. The emergency response plan shall include but not be limited to the following: mapping of emergency exits, evacuation routes for vehicles and pedestrians, location of nearest hospitals, and fire departments.

r. Site Drainage

- 1) Proper Site drainage should be maintained at all times.
- 2) All Site drainage, with the exception of any required to be disposed of onsite by storm water regulations, shall be collected and transferred to the street in non-erosive drainage devices.
- 3) The building and parking structure shall be provided with roof drainage.
- 4) Discharge from downspouts, roof drains, and scuppers shall not be permitted on unprotected soils within five feet of the building perimeter. Drainage shall not be allowed to pond anywhere on the Site, and especially not against any foundation or retaining wall.
- 5) Drainage shall not be allowed to flow uncontrolled over any descending slope.

- 6) Planters which are located within a distance equal to the depth of a retaining wall shall be sealed to prevent moisture adversely affecting the wall. Planters which are located within five feet of the foundation shall be sealed to prevent moisture affecting the earth materials supporting the foundation.

s. Storm water Pollution (Demolition, Grading, and Construction Activities)

- 1) Leaks, drips and spills shall be cleaned up immediately to prevent contaminated soil on paved surfaces that can be washed away into the storm drains.
- 2) All vehicle/equipment maintenance, repair, and washing shall be conducted away from storm drains. All major repairs shall be conducted off-site. Drip pans or drop clothes shall be used to catch drips and spills.
- 3) Pavement shall not be hosed down at material spills. Dry cleanup methods shall be used whenever possible.
- 4) Dumpsters shall be covered and maintained. Uncovered dumpsters shall be placed under a roof or be covered with tarps or plastic sheeting.

t. Fire Flows and Hydrants

The Project shall submit a request to the City of Los Angeles Department of Water and Power to determine whether the water pressure in the project area is sufficient. If it is not, then upgrades to the existing infrastructure shall be required.

u. Public Services (Fire)

The following recommendations of the Fire Department relative to fire safety shall be incorporated into the building plans, which includes the submittal of a plot plan for approval by the Fire Department either prior to the recordation of a final map or the approval of a building permit. The plot plan shall include the following minimum design features: fire lanes, where required, shall be a minimum of 20 feet in width; all structures must be within 300 feet of an approved fire hydrant, and entrances to any dwelling unit or guest room shall not be more than 150 feet in distance in horizontal travel from the edge of the roadway of an improved street or approved fire lane.

v. Public Services (Police – Demolition/Construction Sites)

Fences shall be constructed around the site to minimize trespassing, vandalism, short-cut attractions and attractive nuisances.

w. Public Services (Police)

- 1) The plans shall incorporate a design that enhances the security, semi-public and private spaces, which may include but not be limited to access control to building, secured parking facilities, walls/fences with key systems, well-illuminated public and semi-public space designed with a minimum of dead space to eliminate areas of concealment, and location of toilet facilities or building entrances in high-foot traffic areas. Please refer to "Design Out Crime Guidelines: Crime Prevention Through Environmental Design" published by the Los Angeles Police Department. Contact the Community Relations Division, located at 100 W. 1st Street, #250, Los Angeles, CA 90012; (213) 486-6000. These measures shall be approved by the Police Department prior to the issuance of building permits.
- 2) Upon completion of the Project, the Hollenbeck Area commanding officer shall be provided with a diagram of each portion of the property. The diagram shall include access routes and any additional information that might facilitate police response.

x. Recreation (Increased Demand for Parks or Recreational Facilities)

- 1) If a final map is recorded, then the following applies: (Subdivision)
Pursuant to Section 17.12-A or 17.58 of the Los Angeles Municipal Code, the applicant shall pay the applicable Quimby fees for the construction of dwelling units.

Or

- 2) If a final map is not recorded and the applicant seeks a certificate of occupancy for apartments, then the following applies: (Apartments)
Pursuant to Section 21.10 of the Los Angeles Municipal Code, the applicant shall pay the Dwelling Unit Construction Tax for construction of apartment buildings.

y. Transportation Demand Management

The Project shall comply with the requirements of the City of Los Angeles TDM Ordinance (No. 167,700) as a non-residential development in excess of 100,000 gross square feet in size. Per the TDM Ordinance, at a minimum the Project shall provide the following:

- 1) A bulletin board, display case, or kiosk showing transportation information that includes, but is not limited to:
 - a) Current routes and schedules for public transit serving the site;
 - b) Telephone numbers for referrals on transportation information including numbers for the regional ridesharing and local transit operations;

- c) Ridesharing promotional material supplied by commuter-oriented organizations.
 - d) Regional/local bicycle route and facility information; and
 - e) A listing of on-site services or facilities which are available for carpoolers, vanpoolers, bicyclists, and transit riders.
- 2) There shall be a designated parking area for employee carpools and vanpools as close as practical to the main pedestrian entrance(s) of the building(s). This area shall include at least 10 percent of the parking spaces required for the site. The spaces shall be designed and striped sufficient to meet the employee demand for such spaces. The carpool/vanpool area shall be identified on the driveway and circulation plan upon application for a building permit;
 - 3) One permanent, clearly identified (signed and striped) carpool/vanpool parking space for the first 50,000 to 100,000 square feet of gross floor area and one additional permanent, clearly identified (signed and striped) carpool/vanpool parking space for any development over 100,000 square feet of gross floor area;
 - 4) Parking spaces clearly identified (signed and striped) shall be provided in the designated carpool/vanpool parking area at any time during the building's occupancy sufficient to meet employee demand for such spaces. Absent such demand, parking spaces within the designated carpool/vanpool parking area may be used by other vehicles;
 - 5) No signed and striped parking spaces for carpool/vanpool parking shall displace any handicapped parking;
 - 6) A statement that preferential carpool/vanpool spaces are available on-site and a description of the method for obtaining permission to use such spaces shall be included on the required transportation information board;
 - 7) A minimum vertical clearance of 7 feet, 2 inches shall be provided for all parking spaces and access ways used by vanpool vehicles when located within a parking structure;
 - 8) Bicycle parking shall be provided in conformance with Section 12.21A16 of the LAMC;
 - 9) There shall be provided a safe and convenient area in which carpool/vanpool vehicles may load and unload passengers other than in their assigned parking area;
 - 10) Sidewalks or other designated pathways following direct and safe routes from the external pedestrian circulation system to each building in the development shall be provided;

- 11) If determined necessary by the City to mitigate the Project impact, bus stop improvements shall be provided. The City will consult with the local bus service providers in determining appropriate improvements. When locating bus stops and/or planning building entrances, entrances shall be designed to provide safe and efficient access to nearby transit stations/stops; and
- 12) There shall be provided safe and convenient access from the external circulation system to bicycle facilities on-site.

In addition to these TDM measures required by the City, the Project shall implement additional measures as part of its TDM Program. The Project is a mixed-use development, located within one quarter mile of various bus lines that provide connections to the greater, regional bus and rail network for Project residents, employees, visitors, and patrons. The Project Site is surrounded by numerous supporting and complementary uses within walking distance, such as additional housing for Project employees and patrons and additional commercial uses for Project residents, visitors and employees. The Project shall take advantage of these opportunities through a pedestrian/bicycle-friendly design and implementation of a TDM program. The TDM Program applies to the proposed land uses to be developed as part of the Project. Both the pedestrian/bicycle-friendly design and TDM program must be acceptable to the Department of City Planning and LADOT. The initial TDM program is proposed to include, at a minimum, the following:

- 1) Development of the Project Site in a pedestrian/bicycle/transit rider-friendly manner;
- 2) Project management administrative support for the formation of carpools/vanpools;
- 3) Inclusion of business services to facilitate work-at-home arrangements for residential uses (live-work units);
- 4) Promotion to employers of flexible/alternative work schedules (especially for the office land-use component, which will include creative office space);
- 5) Provision of a minimum of five parking spaces for a shared car program;
- 6) A provision requiring compliance with the State Parking Cash-out Law in all leases;
- 7) A contribution to the City Bicycle Plan Trust Fund to be used for the formulation and implementation of bicycle improvements within the City;
- 8) Coordination with LADOT regarding the potential reservation of an area within the Project site as a strategic satellite shared bicycle and

secured bicycle parking kiosk for the Integrated Mobility Hubs program currently under study by the City. As part of the program, the satellite kiosks and 10 new integrated mobility hubs located at major transit stations would serve as extensions of the transit network and provide first-mile/last-mile mobility options to transit users;

- 9) Provision of a self-service bicycle repair area and shared tools for residents and employees;
- 10) Bike- and walk-to-work promotions;
- 11) Improvements to the bus shelters and stops, including lighting and landscaping, in the vicinity of the Project Site;
- 12) Implementation of a transit pass discount program for Project users and residents;
- 13) Provision of shuttle service between the Project Site and the nearest Metro rail station (the Metro Gold Line Station at the intersection of Soto Street and 1st Street). This shuttle service would operate, at a minimum, during the weekday AM and PM peak periods;
- 14) Application of a discount program at the Project's commercial retail/restaurant uses for the Project's residents and employees, to encourage further the internal capture of trips on-site, and
- 15) Shared parking in the Project's multi-level parking structure located west of Rio Vista Avenue. Given that this structure will accommodate the parking demands of the Project's residential and commercial office components, which have different temporal demand patterns, parking can be provided for these uses utilizing a shared parking approach. This will allow the Project not to be "over-parked," which can induce extra vehicle travel.

All revisions to the TDM program must reflect the best practices to promote the use of alternative transportation modes and be acceptable and equally efficacious to the program's designated requirements to the Department of City Planning and LADOT. In order to determine the effect of TDM program implementation for the project, it was conservatively estimated that such a program would result in a 20 percent decrease in Project trips. This 20-percent reduction, applied to the proposed land use trip generation calculations following the transit adjustment and prior to the pass-by trip adjustment, would reduce the Project net trip generation to a total of 9,125 trips per day with 755 trips during the AM peak hour and 832 trips during the PM peak hour.

Signal System Upgrades

The signal systems along 8th Street and Washington Boulevard, in the vicinity of Soto Street, shall be upgraded by the Project. The signal system upgrades along 8th Street would extend from Boyle Avenue to Marietta

Street, while the upgrades along Washington Boulevard would range from 15th Street to Grande Vista Avenue. The Project Applicant shall install signal system detector loops and mid-block detector loop sets, upgrade older model controllers to new type 2070 controllers (including replacement of the cabinet hardware, if needed), and provide closed circuit television (CCTV) cameras at necessary locations along these segments of 8th Street and Washington Boulevard. All improvements shall be at intersections specified by LADOT within the Project vicinity. The method of installation shall be decided and constructed by a private contractor under a B-permit or by LADOT staff, or, in the alternative, the signal system upgrades requirement shall be entirely fulfilled by the Project Applicant with a payment to the City of Los Angeles for installation by LADOT staff, as is mutually agreed upon by the Project Applicant and LADOT prior to installation.

Alameda Street and Olympic Boulevard (PM Peak Hour)

The Project shall widen and restripe the Olympic Boulevard eastbound approach to provide a right-turn only lane. The Olympic Boulevard eastbound approach shall then consist of a left-turn lane, two through travel lanes, and a right-turn-only lane. This improvement shall require six feet of widening along the south side of Olympic Boulevard for the length of the proposed right-turn-only lane (116 feet plus transition). The traffic signal equipment at this location shall be upgraded, as necessary.

Santa Fe Avenue and Olympic Boulevard (AM and PM Peak Hours)

The Project shall widen and restripe the Santa Fe Avenue southbound and Olympic Boulevard westbound approaches. The Santa Fe Avenue southbound approach shall be modified to provide an additional southbound left-turn lane, resulting in an approach consisting of two left-turn lanes, one through travel lane, and one shared through/right-turn lane. The Olympic Boulevard westbound approach shall be modified to provide a right-turn-only lane, resulting in an approach consisting of a left-turn lane, two through travel lanes, and a right-turn-only lane. This improvement shall require widening along the north side of Olympic Boulevard and along the east side of Santa Fe Avenue. The traffic signal equipment at this location shall be upgraded, as necessary.

Soto Street and 8th Street (AM and PM Peak Hours)

The Project shall restripe the Soto Street southbound approach to provide an additional left-turn lane to eastbound 8th Street. The Soto Street southbound approach shall consist of two left-turn lanes, two through travel lanes, and one right-turn-only lane (assuming bicycle lane implementation). The inside southbound left-turn lane shall become a "trap" lane on 8th Street, providing access to the I-5 Freeway southbound on-ramp. The traffic signal equipment at this location shall be upgraded, as necessary.

Soto Street and Olympic Boulevard (AM to PM Peak Hours)

The project shall restripe the Olympic Boulevard eastbound and westbound approaches and widening/restriping the Soto Street northbound approach. The Soto Street northbound approach shall be modified to provide an additional left-turn lane, resulting in an approach consisting of two left-turn lanes, two through travel lanes, and one shared through/right-turn lane. The Olympic Boulevard eastbound and westbound approaches shall each be modified to provide an additional left-turn lane. Thus, both Olympic Boulevard approaches shall consist of two left-turn lanes, two through travel lanes, and one right-turn-only lane. This improvement shall require widening along the both sides of Soto Street, south of Olympic Boulevard. The traffic signal equipment at this location shall be upgraded, as necessary.

Soto Street and Washington Boulevard (AM and PM Peak Hours)

The Project shall restripe the Washington Boulevard eastbound and westbound approaches. The Washington Boulevard eastbound approach would be modified to provide an additional left-turn lane, resulting in an approach consisting of two left-turn lanes, two through travel lanes, and one right-turn-only lane. This improvement can be accommodated within the existing curb-to-curb width on Washington Boulevard. The traffic signal equipment at this location would be upgraded, as necessary.

z. Safety Hazards

- 1) The developer shall install appropriate construction related traffic signs around the site to ensure pedestrian and vehicle safety.
- 2) Applicant shall plan construction and construction staging so as to maintain pedestrian access on adjacent sidewalks throughout all construction phases. This requires the applicant to maintain adequate and safe pedestrian protection, including physical separation (including utilization of barriers such as K-Rails or scaffolding, etc.) from work space and vehicular traffic and overhead protection, due to sidewalk closure or blockage, at all times.
- 3) Temporary pedestrian facilities shall be adjacent to the project site and provide safe, accessible routes that replicate as nearly as practical the most desirable characteristics of the existing facility.
- 4) Covered walkways shall be provided where pedestrians are exposed to potential injury from falling objects.
- 5) Applicant shall keep sidewalk open during construction until only when it is absolutely required to close or block sidewalk for construction staging. Sidewalk shall be reopened as soon as reasonably feasible taking construction and construction staging into account.

aa. Wastewater Service

- 1) As part of the normal construction/building permit process, the Project Applicant shall confirm with the City that the capacity of the local and trunk lines are sufficient to accommodate the Project's wastewater flows during the construction and operation phases. If the public sewer has insufficient capacity, then the Project Applicant shall be required to build sewer lines to a point in the sewer system with sufficient capacity.
- 2) The Project Applicant shall implement any upgrade to the wastewater conveyance system (pipeline) serving the Project Site that is needed to accommodate the Project's wastewater generation increase.

bb. Water Service

- 1) As part of the normal construction/building permit process, the Project Applicant shall confirm with the LADWP Water Service Organization (WSO) that the capacity of the existing water infrastructure can supply the domestic needs of the Project during the construction and operation phases.
- 2) The Project Applicant shall implement any upgrade to the water infrastructure serving the Project Site that is needed to accommodate the Project's water consumption needs.

cc. Utilities (Local Water – Landscaping)

- 1) The project shall comply with Ordinance No. 170,978 (Water Management Ordinance), which imposes numerous water conservation measures in landscape, installation, and maintenance (e.g., use drip irrigation and soak hoses in lieu of sprinklers to lower the amount of water lost to evaporation and overspray, set automatic sprinkler systems to irrigate during the early morning or evening hours to minimize water loss due to evaporation, and water less in the cooler months and during the rainy season).i
- 2) In addition to the requirements of the Landscape Ordinance, the landscape plan shall incorporate the following:
 - a) Weather-based irrigation controller with rain shutoff;
 - b) Matched precipitation (flow) rates for sprinkler heads;
 - c) Drip/microspray/subsurface irrigation where appropriate;
 - d) Minimum irrigation system distribution uniformity of 75 percent;
 - e) Proper hydro-zoning, turf minimization and use of native/drought tolerant plant materials;

- f) Use of landscape contouring to minimize precipitation runoff; and
- g) A separate water meter (or submeter), flow sensor, and master valve shutoff shall be installed for existing and expanded irrigated landscape areas totaling 5,000 sf and greater.

dd. Utilities (Local Water Supplies – All New Construction)

- 1) Install high-efficiency toilets (maximum 1.28 gpf), including dual-flush water closets, and high-efficiency urinals (maximum 0.5 gpf), including no-flush or waterless urinals, in all restrooms as appropriate.
- 2) Install restroom faucets with a maximum flow rate of 1.5 gallons per minute.
- 3) A separate water meter (or submeter), flow sensor, and master valve shutoff shall be installed for all landscape irrigation uses.
- 4) Single-pass cooling equipment shall be strictly prohibited from use. Prohibition of such equipment shall be indicated on the building plans and incorporated into tenant lease agreements. (Single-pass cooling refers to the use of potable water to extract heat from process equipment, e.g. vacuum pump, ice machines, by passing the water through equipment and discharging the heated water to the sanitary wastewater system.)

ee. Utilities (Local Water Supplies – New Commercial or Industrial)

All restroom faucets shall be of a self-closing design.

ff. Utilities (Local Water Supplies – New Residential)

- 1) Install no more than one showerhead per shower stall, having a flow rate no greater than 2.0 gallons per minute.
- 2) Install and utilize only high-efficiency clothes washers (water factor of 6.0 or less) in the Project, if proposed to be provided in either individual units and/or in a common laundry room(s). If such appliance is to be furnished by a tenant, this requirement shall be incorporated into the lease agreement, and the applicant shall be responsible for ensuring compliance.
- 3) Install and utilize only high-efficiency Energy Star-related dishwashers in the Project, if proposed to be provided. If such appliance is to be furnished by a tenant, this requirement shall be incorporated into the lease agreement, and the applicant shall be responsible for ensuring compliance.

gg. Utilities (Local Water Supplies – Restaurant, Bar, or Nightclub)

- 1) Install/retrofit high-efficiency toilets (maximum 1.28 gpf), including dual-flush water closets, and high-efficiency urinals (maximum 0.5 gpf), including no-flush or waterless urinals, in all restrooms as appropriate.
- 2) Install/retrofit restroom faucets with a maximum flow rate of 1.5 gallons per minute.
- 3) Install/retrofit and utilize only restroom faucets of a self-closing design.
- 4) Install and utilize only high-efficiency Energy Star-related dishwashers in the Project, if proposed to be provided. If such appliance is to be furnished by a tenant, this requirement shall be incorporated into the lease agreement, and the applicant shall be responsible for ensuring compliance.
- 5) Single-pass cooling equipment shall be strictly prohibited from use. Prohibition of such equipment shall be indicated on the building plans and incorporated into tenant lease agreements. (Single-pass cooling refers to the use of potable water to extract heat from process equipment, e.g. vacuum pump, ice machines, by passing the water through equipment and discharging the heated water to the sanitary wastewater system.)

hh. Utilities (Solid Waste Recycling – Construction/Demolition)

Prior to the issuance of any construction permit, the Project Applicant shall provide a copy of the receipt or contract from a waste disposal company providing services to the Project, specifying recycled waste service(s), to the City of Los Angeles Department of Building and Safety. The construction contractor(s) shall only contract for waste disposal services with a company that recycles construction-related waste.

ii. Utilities (Solid Waste Recycling)

To facilitate on-site separation and recycling of demolition and construction-related wastes, the contractor(s) shall provide temporary waste separation bins on-site during demolition and construction. These bins shall be emptied and the contents recycled accordingly as a part of the Project's regular solid waste disposal program.

jj. Utilities (Solid Waste Disposal)

All waste shall be disposed of properly. Use appropriately labeled recycling bins to recycle demolition and construction materials including: solvents, water-based paints, vehicle fluids, broken asphalt and concrete, bricks, metals, wood, and vegetation. Non-recyclable materials/wastes shall be

taken to an appropriate landfill. Toxic wastes must be discarded at a licensed regulated disposal site.

kk. Utilities (Solid Waste Recycling – Operational)

Recycling bins shall be provided at appropriate locations to promote recycling of paper, metal, glass and other recyclable material. These bins shall be emptied and recycled accordingly as a part of the Project's regular solid waste disposal program.

16. Prior to the issuance of any permits relative to this matter, a covenant acknowledging and agreeing to comply with all the terms and conditions established herein shall be recorded in the County Recorder's Office. The agreement (standard master covenant and agreement form CP-6770) shall run with the land and shall be binding on any subsequent owners, heirs or assigns. The agreement with the conditions attached must be submitted to the Development Services Center for approval before being recorded. After recordation, a certified copy bearing the Recorder's number and date shall be provided to the Zoning Administrator for attachment to the subject case file.

17. INDEMNIFICATION AND REIMBURSEMENT OF LITIGATION COSTS.

Applicant shall do all of the following:

- a. Defend, indemnify and hold harmless the City from any and all actions against the City relating to or arising out of the City's processing and approval of this entitlement, including but not limited to, an action to attack, challenge, set aside, void or otherwise modify or annul the approval of the entitlement, the environmental review of the entitlement, or the approval of subsequent permit decisions or to claim personal property damage, including from inverse condemnation or any other constitutional claim.
- b. Reimburse the City for any and all costs incurred in defense of an action related to or arising out of the City's processing and approval of the entitlement, including but not limited to payment of all court costs and attorney's fees, costs of any judgments or awards against the City (including an award of attorney's fees), damages and/or settlement costs.
- c. Submit an initial deposit for the City's litigation costs to the City within 10 days' notice of the City tendering defense to the Applicant and requesting a deposit. The initial deposit shall be in an amount set by the City Attorney's Office, in its sole discretion, based on the nature and scope of action, but in no event shall the initial deposit be less than \$25,000. The City's failure to notice or collect the deposit does not relieve the Applicant from responsibility to reimburse the City pursuant to the requirement in paragraph (b).
- d. Submit supplemental deposits upon notice by the City. Supplemental deposits may be required in an increased amount from the initial deposit if found necessary by the City to protect the City's interests. The City's failure to notice or collect the deposit does not relieve the Applicant from responsibility to reimburse the City pursuant to the requirement (b).

- e. If the City determines it necessary to protect the City's interests, execute an indemnity and reimbursement agreement with the City under terms consistent with the requirements of this condition.

The City shall notify the applicant within a reasonable period of time of its receipt of any action and the City shall cooperate in the defense. If the City fails to notify the applicant of any claim, action or proceeding in a reasonable time, or if the City fails to reasonably cooperate in the defense, the applicant shall not thereafter be responsible to defend, indemnify or hold harmless the City.

The City shall have the sole right to choose its counsel, including the City Attorney's office or outside counsel. At its sole discretion, the City may participate at its own expense in the defense of any action, but such participation shall not relieve the applicant of any obligation imposed by this condition. In the event the Applicant fails to comply with this condition, in whole or in part, the City may withdraw its defense of the action, void its approval of the entitlement, or take any other action. The City retains the right to make all decisions with respect to its representations in any legal proceeding, including its inherent right to abandon or settle litigation.

For purposes of this condition, the following definitions apply:

"City" shall be defined to include the City, its agents, officers, boards, commission, committees, employees and volunteers.

"Action" shall be defined to include suits, proceedings (including those held under alternative dispute resolution procedures), claims or lawsuits. Actions includes actions, as defined herein, alleging failure to comply with any federal, state or local law.

Nothing in the definitions included in this paragraph are intended to limit the rights of the City or the obligations of the Applicant otherwise created by this condition.

OBSERVANCE OF CONDITIONS - TIME LIMIT - LAPSE OF PRIVILEGES

All terms and conditions of the approval shall be fulfilled before the use may be established. The instant authorization is further conditional upon the privileges being utilized within three years after the effective date of approval and, if such privileges are not utilized or substantial physical construction work is not begun within said time and carried on diligently to completion, the authorization shall terminate and become void.

TRANSFERABILITY

This authorization runs with the land. In the event the property is to be sold, leased, rented or occupied by any person or corporation other than yourself, it is incumbent upon you to advise them regarding the conditions of this grant.

VIOLATIONS OF THESE CONDITIONS, A MISDEMEANOR

Section 12.29 of the Los Angeles Municipal Code provides:

"A variance, conditional use, adjustment, public benefit or other quasi-judicial approval, or any conditional approval granted by the Director, pursuant to the authority of this chapter shall become effective upon utilization of any portion of the privilege, and the owner and applicant shall immediately comply with its Conditions. The violation of any valid Condition imposed by the Director, Zoning Administrator, Area Planning Commission, City Planning Commission or City Council in connection with the granting of any action taken pursuant to the authority of this chapter, shall constitute a violation of this chapter and shall be subject to the same penalties as any other violation of this Code."

Every violation of this determination is punishable as a misdemeanor and shall be punishable by a fine of not more than \$2,500 or by imprisonment in the county jail for a period of not more than six months, or by both such fine and imprisonment.

APPEAL PERIOD - EFFECTIVE DATE

The applicant's attention is called to the fact that this grant is not a permit or license and that any permits and licenses required by law must be obtained from the proper public agency. Furthermore, if any Condition of this grant is violated or if the same be not complied with, then the applicant or his successor in interest may be prosecuted for violating these Conditions the same as for any violation of the requirements contained in the Municipal Code. The Zoning Administrator's determination in this matter will become effective after DECEMBER 23, 2015, unless an appeal therefrom is filed with the City Planning Department. It is strongly advised that appeals be filed early during the appeal period and in person so that imperfections/incompleteness may be corrected before the appeal period expires. Any appeal must be filed on the prescribed forms, accompanied by the required fee, a copy of the Zoning Administrator's action, and received and receipted at a public office of the Department of City Planning on or before the above date or the appeal will not be accepted. **Forms are available on-line at <http://planning.lacity.org>.** Public offices are located at:

Figueroa Plaza
201 North Figueroa Street,
4th Floor
Los Angeles, CA 90012
(213) 482-7077

Marvin Braude San Fernando
Valley Constituent Service Center
6262 Van Nuys Boulevard, Room 251
Van Nuys, CA 91401
(818) 374-5050

If you seek judicial review of any decision of the City pursuant to California Code of Civil Procedure Section 1094.5, the petition for writ of mandate pursuant to that section must be filed no later than the 90th day following the date on which the City's decision became final pursuant to California Code of Civil Procedure Section 1094.6. There may be other time limits which also affect your ability to seek judicial review.

NOTICE

The applicant is further advised that subsequent contact regarding this determination must be with the Development Services Center. This would include clarification, verification of condition compliance and plans or building permit applications, etc., and shall be accomplished **BY APPOINTMENT ONLY**, in order to assure that you receive service with a minimum amount of waiting. You should advise any consultant representing you of this requirement as well.

FINDINGS OF FACT

After thorough consideration of the statements contained in the application, the plans submitted therewith, and the statements made at the public hearing on June 16, 2015, all of which are by reference made a part hereof, as well as knowledge of the property and surrounding district, I find as follows:

BACKGROUND

The project site is an irregularly-shaped lot, comprised of five parcels and approximately 12.8 acres of commercially and industrially zoned land. The site is bounded by Olympic Boulevard to the north with an approximate frontage of 880 feet, Soto Street to the east with an approximate frontage of 692 feet, South Rio Vista Avenue to the west with an approximate frontage of 664 feet, and 12th Street to the south with an approximate frontage of 869 feet.

The site consists of two zones, with the central portion of the project site, which includes portions of the existing Sears Building, being zoned M2-1 with a Light Manufacturing General Plan Land Use designation. The outer perimeter of the site is zoned C2-1. Both the M2-1 and C2-1 Zones allow a 1.5:1 FAR and unlimited height. The Boyle Heights Community Plan designates the C2-1 zoned property with a Regional Center Commercial land use designation and the M2-1 zoned property with a Light Manufacturing land use designation. The property is not subject to a specific plan but is otherwise located within the River Improvement Overlay District and the Adelante Eastside Redevelopment Project Area.

The Sears Building was designated as Historic-Cultural Monument 788 by the Los Angeles Cultural Heritage Commission in August 2004, and was later listed in the National Register of Historic Places in April 2006. The 1,840,000 square-foot Sears Building is ten stories high and has adjacent surface parking with 436 spaces.

The site is approximately 500 feet east from the Los Angeles River. The adjoining properties to the north across Olympic Boulevard are zoned C2-2D-RIO and C2-1 and are improved with a five-story residential building and a service station. The northwest property along Olympic is zoned M3-1-RIO with a Heavy Manufacturing land use designation and is improved with a warehouse distribution center.

The adjoining properties to the south across 12th Street are zoned M3-1-RIO and improved with surface parking and single-story light manufacturing buildings. Further south along Rio Vista Street properties are zoned M3-1-RIO and improved with a warehouse distribution center measuring approximately three stories. Properties to the south and southeast are zoned M3-1-RIO for industrial uses. The adjoining properties to the east along Olympic Boulevard are zoned C2-1 and improved with single-story commercial buildings. The properties along Soto Street to the east of the project site are zoned M3-1 and improved with one- to three-story light manufacturing buildings. The adjoining property to the west along Rio Vista Avenue is zoned M3-1-RIO and improved with a surface parking lot and a warehouse distribution center.

Olympic Boulevard, adjoining the property on the north is a designated Secondary Highway, dedicated to a width of 100 feet and improved with curbs, gutters and sidewalks.

Soto Street, adjoining the property on the east is a local street, dedicated to a 100 foot right-of-way and improved with gutters, curbs and sidewalks.

South. Rio Vista Avenue, adjoining the property to the west is a 60 foot wide collector street.

12th Street, adjoining the site to the south, is 60 feet wide.

Previous zoning related actions on the site and surrounding properties include:

Subject Property:

Ordinance No. 183,145 – On August 20, 2014, the City Council approved the River Improvement Overlay District and Design Guidelines for designated areas adjacent to the City's waterway.

Ordinance No. 183,144 – On July 8, 2014, the City Council established the boundaries for the River Improvement Overlay District and Design Guidelines.

Case No. CHC-2004-6651-MAEX – On October 26, 2004, the Cultural Heritage Commission executed a Mills Act Application for the subject property.

Case No. CPC-1995-336-CRA – On July 21, 2009, the City Planning Commission approved preliminary plans for the proposed Eastside Industrial and Commercial Redevelopment Project and an amendment to the adopted Redevelopment Plan.

Relevant Cases - Adaptive Reuse in C Zones outside the Downtown Project Area
2004-7698-SPE-ZAD-SPP – 1010 Wilshire Boulevard, 240 ARO units
ZA-2004-1415-CDP-SPP-ZAD – 1048 W. Princeton Drive, 30 Live Work units
ZA-2004-4282(ZV)(ZAA)(SPR) – 666 South Centre Street, 116 Live Work units
CPC-2004-3499-ZAD-SPE – 1100 Wilshire Boulevard, 267 ARO units

Relevant Cases - Joint Living and Work Quarters (Artist-in-Residence, Live Work) in M Zones

ZA 2006-0501(ZAD) – 308 East 9th Street, 37 JLWQ units
ZA 2004-7083(ZAD) – 2135 East 7th Street, 22 Artist-in-Residence units
ZA 2011-2095(ZV)(ZAD) – 1737-1745 East 7th Street, 57 JLWQ units
ZA 2003-6888(ZAD) – 500-530 and 437-439 South Molino Street, total of 91 JLWQ units

Surrounding Properties

Case No. ZA-2011-2975-CUB – Issued on March 29, 2012, affecting 2740 East Olympic Boulevard, approval of off-sale consumption of beer and wine within an existing gas station and car wash.

Case No. CPC-2012-1222-GPA-SP-ZC-CA – Proposal for the redevelopment of an approximately 68.8 acre site (the Wyvernwood Project) with a mixed-use community providing increased housing, neighborhood-serving retail and office uses, civic space, green and open space amenities. The project would include the demolition of 1,187 dwelling units and ancillary structures and the development of up to 4,150

residential units comprised of no less than 1,200 rental units and up to 2,950 condominium units, and 25,000 square feet of neighborhood serving retail, office and civic uses. Of the 325,000 commercial square feet, up to 175,000 square feet may be used for office uses (with a maximum of 25,000 square feet of medical office space), while the remaining area would be made up of neighborhood-serving retail uses, up to a maximum of 225,000 square feet. Fifteen (15) percent of the proposed residential units (the aggregate for-sale and rental) would be covenanted affordable rental housing for families with incomes ranging from 35% to 50% of area median income (AMI). The majority of the new buildings would range in height from 24 feet to 75 feet (approximately two to seven stories). The proposed density of the overall project site will be approximately 60 units per acre, with parking provided in the following ratios: 1.25 spaces per dwelling unit, 1 space for every 4 dwelling units in an unreserved shared pool of parking and a Shared Parking Analysis shall provide all other parking ratios for non-residential parking pursuant to the proposed Specific Plan and the EIR. Parking for the project would also provide active and passive open space areas throughout the project site, including approximately 11.7 acres of privately maintained, publicly available, common useable space.

PUBLIC HEARING AND CORRESPONDENCE

Summary of Public Hearing Testimony and Communications Received:

A Notice of Public Hearing was sent to nearby property owners and/or occupants residing near the subject site for which an application, as described, had been filed with the Department of City Planning. All interested persons were invited to attend the public hearing at which they could listen, ask questions, or present testimony regarding the project.

The hearing was held by an Associate Zoning Administrator from the Office of Zoning Administration, acting on Case Nos. ZA 2014-3054(ZAD) and CEQA No. Env-2014-2809-MND.

The hearing was held on Tuesday, June 16, 2015 at 9:30 A.M. in Los Angeles City Hall, 200 N. Spring Street, Room 1020, Los Angeles, CA 90012. The purpose of the hearing was to obtain testimony from affected and/or interested persons regarding the proposed project, itself and the Initial Study/Mitigated Negative Declaration (IS/MND) for the project. The Zoning Administrator extended the comment period for the IS/MND for 30 days until June 10, 2015 so that the applicant's environmental consultant could respond to environmental issues raised at the public hearing. A summary of the responses to comments is included in Finding No. 9 on the environmental clearance at the end of this determination.

1. Speakers at the June 16, 2015 Public Hearing:

- Hamid Behdad, the Applicant's Representative
- Coalition for Responsible Equitable Economic Development (CREED LA) representative, Jeff Modrzejewski
- Sears Roebuck and Co. (Sears) attorney, Steven A. Velkei

Discussion of Issues

- Mr. Behdad described the existing building's history and reviewed the project's plans with attention to open space amenities for the community. He also showed how the project would comply with the Secretary of the Interior's Standards for Rehabilitation. Finally, Mr. Behdad recounted the community outreach process for the project that involved multiple community meetings.
 - Mr. Jeff Modrzejewski representing CREED LA was concerned about the potential environmental impacts from the project including greenhouse gas emissions, soil contamination, traffic, historic resources and inconsistency with land use. He questioned the adequacy of the IS/MND.
 - Mr. Velkei had questions about safety during construction; parking numbers and how the project could affect the parking for the existing Sears store which is to remain open during construction; and whether Sears' Parcel A would remain accessible.
2. Community Input: 10 Boyle Heights residents/advocates.

Discussion of Issues

- Community support for project as an investment in Boyle Heights.
 - Concern about lack of workforce housing in proposed project.
 - Support for architectural program especially keeping the Sears store and adding other retail and amenities for the local community.
3. Responses to Hearing Comments

Mr. Behdad responded to the questions and concerns as such:

- Parcel A, the existing Sears store, is not part of the Project and therefore will not be made inaccessible.
 - The project provides enough parking including a new parking structure with 1500 parking spaces, clarifying an earlier incorrect number of 1200. In addition, restriping will increase the number of parking spaces on the existing surface lots.
 - A comprehensive traffic study was verified by Caltrans and the City's Department of Transportation.
 - Appropriate measures to reduce greenhouse gases would be incorporated into the project.
 - The project must comply with the Secretary of the Interior's Standards for Rehabilitation.
 - Measures will be taken to ensure workers and project site occupant safety.
4. Correspondence Received. In addition to comments at the hearing, the following written comments were received:
- Thomas A. Enslow (Adams Broadwell Joseph & Cardozo) Representing CREED LA, June 10, 2015
 - Steven A. Velkei (Dentons US) Representing Sears, June 15, 2015
 - Enrique Legaspi, June 30, 2015
 - Thomas A. Enslow (Adams Broadwell Joseph & Cardozo), May 11, 2015

- Caltrans (California Department of Transportation), May 6, 2015

Discussion of Issues

Written comments received included questions or concerns on the following:

- Soil analysis in the Hazards section of the Environmental Analysis;
- Greenhouse gas (GHG) emissions calculations methodology;
- Traffic impacts analysis;
- Potential hazardous materials in existing Sears Building;
- Air quality impacts;
- Land use incompatibility;
- Historic resources analysis; and
- Noise impact on neighborhood and schools.

Responses to Comments

Summaries of the comments and responses are found under Additional Findings below. In addition, Crain & Associates prepared written responses to traffic-related issues raised by Creed LA and Mr. Legaspi in a letter dated July 17, 2015.

CAJA Environmental Services also prepared written responses to all the comments received in two sets of responses dated June 11, 2015 and August, 2015.

In issuing this Letter of Determination, the Zoning Administrator has considered all the testimony presented at the hearing, written communication received prior to or at the hearing.

FINDINGS

Following (highlighted) is a delineation of the findings and the application of the relevant facts to same:

1. **The project will enhance the built environment in the surrounding neighborhood or will perform a function or provide a service that is essential or beneficial to the community, city or region.**

The project will convert an existing 1,840,000 square-foot, 10-story warehouse and retail building, known as the Sears Building (Historic-Cultural Monument No. 788) into a mixed use, retail commercial, creative office and artists and artisans live/work unit project. The development will renovate and permit the continued use and maintenance of 252,000 square feet of the existing improvements to operate as a Sears Department store and convert the remaining improvements into a mixed-use development consisting of 1,030 Live/Work units, 250,000 square feet of creative office space, and 93,853 square feet of ground floor retail and commercial uses. Under the Los Angeles Municipal Code, the provisions of the Adaptive Reuse Ordinance allow applicants to facilitate the conversion of "older economically distressed or historically significant buildings to apartments, live/work units or visitor-serving facilities." The Sears building dates back to 1927 and its conversion allows for a more viable use of the building which will undertake interior renovations in accordance with the *Secretary of the Interior's Standards for Rehabilitation*. The

adaptive reuse of the building into residential live/work units, office and retail uses is anticipated to provide for an increase in the population base, a demand for community serving retail and restaurant use, and contributing generally to community activity.

The Municipal Code, as set forth by ordinance, permits an adaptive reuse project to utilize incentives regarding density and parking. With respect to density, the Adaptive Reuse Ordinance (Ordinance No. 172571, Section 12.22-A.26 of the LAMC) exempts Joint Living and Work Quarters from lot area requirements of the zone or height district, but otherwise requires that the minimum floor area of a Joint Live/Work unit be 450 square feet and all of the units have to average 750 square feet. In this instance the applicant has requested 1,030 units in lieu of the M2 zone's limitation which would only permit dwellings for use by caretakers of an industrial development.

Pursuant to Section 12.24-X, 13 of the Code, because a portion of the structure is located in the M2 Zone, the M2 Zoned units are limited to artists and artisan units not live work units for the general population. The remaining units in the C2 Zone may be rented to any member of the general public. The ordinance also establishes that parking for an adaptive reuse project maintain those parking spaces which existed on the site as of June 3, 1999 and further states that projects be exempt from the parking provisions identified in Section 12.21-A.4 of the Municipal Code. The Sears site currently has 436 surface parking spaces which will be restriped to provide 613 parking spaces on-site. An additional 1,502 parking spaces will be provided off-site at 1401 South Rio Vista Avenue. These 2,115 parking spaces exceed the parking required by the Adaptive Reuse Ordinance. Condition No.'s 7(b) and 9(a) require the applicant to restripe the existing surface parking lot on the site to expand the number of parking spaces from 436 to 613. In this particular case, not all of the existing structure is being adaptively reused. An existing approximately 250,000 square foot Sears Department store is remaining on the site. Because the store, one of the busiest in the Sears system, is to remain open during construction of the remainder of the project, adequate parking must remain for the operation of the store. Because of the continuing use of the Sears store, the applicant has proposed to restripe the existing parking lot to accommodate Sears' current needs and to provide additional parking while the project is being constructed. Without this condition and the requirement for the construction of the 1,502 space parking garage on the west side of Rio Vista Street, required Finding No. 5 of this Determination which states that the surrounding neighborhood will not be adversely affected by spill over parking and traffic cannot be made. Without this finding, the project would not have been approved by this Zoning Administrator.

The adaptive reuse project will result in the addition of housing at a time when housing is in high demand in Los Angeles. Joint Living and Work Quarters will attract residents who wish to work from home. The adaptive reuse project will provide a viable use of an underutilized building for much-needed housing while also introducing new commercial uses that will promote economic activity and investment in the surrounding neighborhood. The project will create an activity node with its plaza, the Central Hub, which will provide open space to community members. In addition, the project's restaurant and commercial uses will draw local residents who wish to work and shop locally in Boyle Heights. As such, the Sears Building conversion will result in an enhancement of the built environment. The

project will provide housing, retail and job opportunities that are beneficial to the community, city and region.

2. **The project's location, size, height, operations and other significant features will be compatible with and will not adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, welfare and safety.**

The project will not result in any physical changes that would modify or enlarge the building's envelope. The adaptive reuse of the building will be conducted in accordance with the *Secretary of Interior's Standards for Rehabilitation* as prescribed in the Mitigated Negative Declaration. As such there are no changes to size, height and location of the existing Sears Building. When occupied, the residential characteristics of the project would remain compatible with the surrounding neighborhood since there is housing and retail in the vicinity of the site. The Lopez Senior Housing complex and the Rio Vista Village multi-family residences are 115 feet across Olympic Boulevard on Boyle Avenue. Tenants of the project, who may also work at home, will provide an additional anchor in the area, further contributing to a sense of community. In addition, tenants would also participate as consumers of local retail, entertainment and other local neighborhood servicing uses, thus contributing to the activation of the streets and surrounding neighborhood. Residents and neighbors can walk to the project and enjoy its outdoor spaces, which would positively affect public health. Finally, the project will revitalize a landmark building which has been dormant for decades, bringing investment into the local community.

3. **The project substantially conforms with the purpose, intent and provisions of the General Plan, the applicable community plan, and any specific plan.**

The Boyle Heights Community Plan designates the property where the Sears Building is located for Regional Center Commercial and Light Manufacturing land uses with corresponding zones of C2-1 and M2-1. The property is also identified as a Major Opportunity Site in the Boyle Heights Community Plan. The major opportunity site designation reflected a vision for the area examined by the Los Angeles Design Action Planning meeting in 1990. It developed a vision for the area which included the commercial properties on the north side of Olympic Boulevard and envisioned a master plan for both the Sears property and commercial properties on the north side of Olympic. In 2001, these properties to the west of Boyle Street were developed as a large low income and senior residential development. The east side of Boyle was developed with a fast food restaurant in 2005. The master plan was never developed and most of the concepts listed in the Community Plan were for new development while the Sears site is being adaptively reused except for the development of the needed parking garage for the development. Thus, the concepts of the proposed Master Plan were never followed, most of them regarded new structures while the proposed use is the adaptive reuse of the Sears Building and the proposed plan for the Sears site does include an integrated mix of retail, office, restaurants, entertainment and residential uses and locates retail uses along the street frontages. It should also be pointed out that the Boyle Heights Community Plan was adopted in 1998 and predates the Adoptive Reuse Ordinances which were not adopted until 2003. Thus, the language in the Community Plan regarding the Master Plan did not take into

account the use of the Sears Building for residential purposes nor did it anticipate the Adaptive Reuse Ordinances and their effect on commercial and residential properties. The parking structure site at 1401 South Rio Vista Avenue has a land use designation for Heavy Manufacturing with a corresponding zone of M3-1, which permits the construction, use and maintenance of a parking structure.

The request conforms with the purposes, intents and provisions of the General Plan, including the Housing Element, and the Boyle Heights Community Plan. Coupled with the proposed retail and creative office space, the project fulfills various objectives related to housing and public amenities. The type of dwelling units proposed, which are Joint Living and Work Quarters, fulfills Objectives 1 and 2 of the residential section of the Boyle Heights Community Plan, which seek to:

Objective 1: To conserve and improve existing viable housing for persons desiring to live in Boyle Heights, especially low and moderate income families.

Objective 2: To provide new housing opportunities that accommodate a range of income needs, provide public amenities, and maximize the opportunities for individual choice.

The housing will be near public transportation including Metro bus lines 62, 66, 665, 251, 252 and 751 on Olympic Boulevard and Soto Street and feature on-site neighborhood-serving commercial retail and employment opportunities.

The project also supports Objective 1 of the commercial section of the community plan which seeks to:

Objective 1: To conserve and strengthen viable commercial development in the Community and provide additional opportunities for new commercial development and services.

The project would retain the existing Sears store and have an additional, approximately 94,000 square feet of retail uses and 230,000 square feet of creative office space. This will support Objective 2 of the commercial section of the community plan which seeks to:

Objective 2: To provide a range of commercial facilities at various locations to accommodate the shopping needs of residents, including persons of restricted mobility, and to provide increased employment opportunities within the Community.

The commercial and office space will also support Objectives 3 and 4 of the commercial section of the community plan which seek to:

Objective 3: To encourage investment in all community and neighborhood commercial centers.

Objective 4: To improve the compatibility between commercial and residential uses.

The proposed project also supports other objectives of the Boyle Heights Community Plan. While the existing site does not contain any light manufacturing, the project will result in creative office space and retail uses, supporting objectives in the community plan of conserving industry to contribute to the tax base and provide potential employment for community residents. The site is also within the State of California's New Employment Credit-Designated Geographic Area, which makes it eligible to receive a state income tax credit as an incentive for qualified new job creation opportunities.

The project also fulfills goals of the Housing Element 2013-2021. Adaptive reuse is discussed in the Housing Element as an effective tool to incentivize the conversion of existing buildings into residential uses. Thus, the project helps meet Objective 1.1, Policies 1.1.4 and 1.1.6 of the Housing Element which strives to:

Objective 1.1: Produce an adequate supply of rental and ownership housing in order to meet current and projected needs.

Policy 1.1.4: Expand opportunities for residential development, particularly in designated Centers, Transit Oriented Districts and along Mixed-Use Boulevards.

Policy 1.1.6: Facilitate innovative models that reduce the costs of housing production.

At the public hearing, the Zoning Administrator proposed to set aside 10 to 20% of the proposed units for Work Force Housing. Unfortunately, this cannot be accomplished because of both state law (Costa-Hawkins Bill) which prohibits the setting of rent levels for new rental housing developments that were not subject to density bonus regulations as a form of hard-cap rent control, and the fact that City's Department of Housing and Community Investment does not recognize or have income regulations for what is referred to as workforce housing. The Federal Department of Housing and Urban Development does have income standards for workforce housing which are set at approximately 80 to 120% of an area's median income. However, the City's Affordable Housing Ordinance and the State's density bonus regulations only have housing goals for very low, low and moderate income households. Therefore, the State and local ordinances and guidelines for affordable housing do not include workforce housing. By fulfilling all the stated goals above, the project substantially conforms to the Boyle Heights Community Plan and General Plan Housing Element.

4. Pursuant to Section 12.24-X,1(b)(3) for an Adaptive Reuse Project in the C2 Zone and outside the Downtown Project Area, the proposed Adaptive Reuse Project complies with the standards for dwelling units, guest rooms and joint living and work quarters set forth in Section 12.22-A,26(i)(1) of the Municipal Code.

The Municipal Code requires an average floor area of 750 square feet and a minimum floor area 450 square feet for live/work units. These figures will be observed and a condition of this grant further highlights that there has been no waiver granted to allow for any reduction of these figures.

5. **Pursuant to Section 12.24-X,1(b)(3) for an Adaptive Reuse Project in the C2 Zone and outside the Downtown Project Area, the surrounding area will not be adversely affected by overflow parking or traffic congestion originating or terminating at the site of the Adaptive Reuse Project.**

There is no anticipated adverse overflow of parking or traffic congestion. As noted above, the Adaptive Reuse Ordinance establishes that an adaptive reuse project's parking requirement shall be that which existed on the site as of June 3, 1999. In this instance, the project will exceed that number of spaces by restriping the existing surface lots for additional parking spaces and constructing the parking structure on South Rio Vista. The restriped surface parking lot is needed because the existing Sears store on the site needs most of the spaces in the surface lot and the lot must accommodate parking for their busiest time of year during the Christmas season. In addition, the surface parking lot is to be built on a surface parking lot on the west side of Rio Vista Avenue which services as overflow parking during busy shopping seasons. The parking structure will provide parking for the Joint Living and Work Quarters units and commercial users, thus reducing the demand on Sears' parking in the surface parking lots. The Sears parking lot will remain in uninterrupted use during the phased construction of the new dwelling units, commercial and retail uses. Because of the required maintenance of the surface parking lots for the Sears store, Condition No. 9(b) requires that the parking building be completed and ready for occupancy prior to the issuance of a Certificate of Occupancy for any portion of the Adaptive Reuse Project. Without this Condition, the above finding cannot be made as the occupants and users of the new commercial, office and live/work space would be competing with the Sears customers for only 613 parking spaces contained in the existing surface parking lot. This would result in overflow parking problems on the surrounding streets.

Upon completion of the parking structure on Rio Vista Avenue, the Joint Living and Work Quarters will have permanent and reserved parking. In addition, as the units are intended to cater to residents who wish to work at home in live/work units, there is a likelihood that many tenants will not necessarily be commuting on a daily basis to work. Thus, the project would be expected to have a reduced effect on any traffic generation or congestion caused by the tenants of the live/work units. This finding was developed for the adaptive reuse of underutilized commercial or industrial structures outside of the Downtown Project Area. The proposed structure will have 250,000 square feet of creative office space and approximately 94,000 square feet of additional commercial space. The project's traffic study determined that, after imposition of an extensive list of required traffic mitigation measures, the overall project would not have a significant effect on traffic in the area.

6. **Pursuant to Section 12.24-X.13(a)(1) for Joint Living Work Quarters in an existing building in an M zone outside of the Downtown Project Area, the uses of property surrounding the proposed location of the joint living and work quarters and the use of the proposed location will not be detrimental to the health, safety and welfare of prospective residents of the quarters.**

The uses of properties surrounding the proposed location of the Joint Living and Work Quarters and the use of the proposed location would not be detrimental to the health, safety and welfare of prospective residents. Major roadways provide sufficient separation and buffers between the project site and adjacent industrial

uses to the west and south. The parking structure on South Rio Vista would shield residents from the existing industrial and railroad uses to the west. Landscaped surface parking lots and the proposed commercial uses on the south and east sides of the project would also buffer residents from the industrial uses. The properties to the north, on Olympic Boulevard, are commercial and residential – thus, there would be no hazards for the residents. Finally, since the project location itself would feature open space amenities, office, retail and residential uses, there would be no negative impact on residents.

It should be pointed out that the zoning of this massive structure includes both the C2 and the M2 Zones. The M2 zoned portion of the structure was not used for manufacturing or the use of hazardous substances, but it was used as the West Coast central distribution center for the Sears/Roebuck Catalogue. This involved large floor plates turned over to the storage of catalogue items, the collection of them and the subsequent shipping of them to customers in the western United States. At the time of this operation Sears/Roebuck ran the largest catalogue operation in the world shipping everything from socks to single-family house kits. The manufacturing plan designation for the rear 2/3rds of the building is surrounded on three sides by the Regional Center Commercial designation which includes all of the project's parking lots. The industrial property to the south of the site is currently a vacant lot that is used as a semi-truck driving school. Thus, the conversion of the site will not result in detrimental effects to the prospective residents of the project since the site was not used for manufacturing uses, the unused industrial site on the west side of Rio Vista Avenue is to be used for the project's parking building and the industrial land to the east is used for a variety of small restaurants, machine shops, warehouses and a large distribution center for the Church of Jesus Christ of the Latter Day Saints. Thus, the uses of the surrounding industrially zoned properties will not be detrimental to the health, safety and welfare of the residents.

7. **Pursuant to Section 12.24-X.13(a)(2) for Joint Living Work Quarters in an existing building in an M zone outside of the Downtown Project Area, the proposed joint living and work quarters will not displace viable industrial uses and will not substantially lessen the likelihood that the property will be available in the future for industrial uses.**

The proposed project does not displace industrial uses since there are currently no industrial uses on the project site. At its pinnacle, the highest intensity the existing building served was for the regional distribution of goods through Sears Department Store's west coast distribution center for its catalogue sales. In order to realize certain efficiencies, operational changes employed by the anchor tenant, Sears, in 1991, resulted in the closure of its regional distribution centers and in the underutilization of the site. The Sears Building has largely remained dormant ever since. The project will introduce new creative office space that would allow the building to be revitalized with new companies and would help meet the community plan's designation of a portion of the project site as a regional commercial center. Finally, the project is unlikely to displace the existing industrial uses around the site since there would be adequate buffers between the new uses and those industrial uses.

ADDITIONAL MANDATORY FINDINGS

8. The National Flood Insurance Program rate maps, which are a part of the Flood Hazard Management Specific Plan adopted by the City Council by Ordinance No. 172,081, have been reviewed and it has been determined that this project is located outside of the flood zone.
9. On April 9, 2015, the Department of City Planning issued a Mitigated Negative Declaration No. ENV-2014-2809-MND. Subsequent to the date of the MND's publication a number of comments were received. The comments are summarized thematically here followed by a response.

Adequacy of the MND

- Comment: CREED LA and Mr. Enrique Legaspi questioned the adequacy of the MND. The claims are that the MND did not adequately incorporate references to support its findings and that it did not disclose future plans for the parcels around the subject property.
- Response: The full text of the MND included analyses with supporting technical studies to support the environmental findings. This full text of the MND and appendices are part of the case file and were available for public viewing as is the standard practice for the City beginning on April 9, 2015 at City Hall. The period to review the entire case file for the Project was extended for an additional 30 days to June 10, 2015 so any interested parties could view the case file. Therefore, the MND complied with Public Resources Code 15150: Incorporation by Reference part b) which states that "where part of another document is incorporated by reference, such other document shall be made available to the public for inspection at a public place or public building." The MND for the Project complies with the California Environmental Quality Act (CEQA) by describing the existing environmental conditions, disclosing the potential environmental impacts of the Project and showing how those potential impacts would be reduced to less-than-significant levels with appropriate mitigation measures. The applicant has not submitted any applications for the parcels around the Project and future proposed projects would be analyzed separately.

Air Quality

- Comment: CREED LA and Mr. Legaspi questioned the MND's air quality analysis, saying it did not disclose key assumptions, cumulative impacts on schools or provide appropriate mitigation measures. A fair argument exists, they say, that construction emissions could exceed significance thresholds because the calculations omitted maximum winter emissions despite a winter construction schedule they claim was in the appendices.
- Response: On page 3-21, the full text of the MND clearly indicates that the CalEEMod output files include all the assumptions such as the Project's construction schedule of 24 months. Calculating a winter scenario is not necessary since annual and summer (peak) seasons were analyzed. The MND does not claim that the majority of construction would occur in the

winter. Potential impacts to air quality are analyzed beginning on page 3-11 of the MND. The cumulative air quality impact analysis is on page 3-26 of the MND and includes a discussion of nearby sensitive receptors including the nearest school – Garza Elementary. The MND concludes that with Mitigation Measure 3-1 potential cumulative air quality impacts are reduced to less than significant. Since there would be less-than-significant cumulative air quality impacts, there is no need for further mitigation measures for the other schools cited in the comments.

Greenhouse Gas Emissions

- Comment: CREED LA and Mr. Legaspi question the greenhouse gas (GHG) analysis, saying the MND did not compare the project's greenhouse gas emissions impact against existing conditions. Also questioned is the 15% reduction target for statewide emissions under AB 32 as a threshold of significance. The comments state that the 49% target set by Executive Order B-30-15 should be used instead. They also argue the project's GHG emissions analysis must use AB 32's 2020 horizon year. The project exceeds thresholds from the Southern California Air Quality Management District (SCAQMD), the California Air Resources Board (CARB) and the Bay Area Quality Management District (BAAQMD) they claim. In addition, the comments state that the MND incorrectly assumes all GHG emissions can be reduced by the same amount and that health consequences are not addressed. The comments assert a fair argument exists that the Project's GHG emissions will be significant.
- Response: On page 3-67 of the MND, Table 3.7-2 states that to ensure a conservative analysis, GHG emissions from existing development are taken into account. The "Business as Usual" (BAU) scenario was calculated by applying control efficiencies to the "As Proposed" scenario according to guidance from the California Air Pollution Control Officers Association. There are no statewide thresholds of significance, and per CEQA Guidelines § 15064.4 and *Eureka Citizens for Responsible Gov't v. City of Eureka* (2007) 147 Cal.App.4th 357, 371-373, the City of Los Angeles can establish its own procedures to gauge the possible impact from GHG emissions. CEQA Guidelines § 15064.4(b)(3) state that the finding of significance can be judged against the extent to which the project complies with regulations or requirements adopted to implement a statewide plan. Therefore, the MND relies on consistency with AB 32's statewide reduction target as its threshold of significance and uses a quantitative analysis to evaluate the Project's potential GHG emissions impacts. The Project's GHG emissions are correctly calculated using the year 2018 since that is the operational year. The GHG analysis provided by CREED LA uses 2020 for the "As Proposed" year and 2005 as the BAU year because they are the years AB 32 began and ends. This method, however, does not take into account the technologies implemented to reduce GHGs such as improvements in motor vehicles, fuels and other emission sources between 2005 and 2018 and does not use the correct operational year for the Project.

The Project's GHG emissions should not be compared to thresholds that were not adopted by SCAQMD, CARB or BAAQMD. Using the target set by

Executive Order B-30-15 was not possible for this December 2014 MND because the order was not signed until April 29, 2015. Moreover, the executive order is a policy goal, and was not adopted to implement state law. This MND does not claim that all GHG sources should achieve similar reductions. Nor does the MND claim that the Project's GHG emissions reduction measures will prevent global warming impacts. Therefore, this Project alone cannot achieve the Executive Order's statewide GHG reduction goal of 49 percent.

The MND appropriately calculated the Project's GHG emissions and found that the Project would exceed 2020 performance standards by reducing emissions by 24 percent over what would occur in the absence of AB 32. This calculation relies on standards designed to protect the most sensitive persons from illness or discomfort. Therefore, the Project's contribution to climate change and negative health outcomes would be less than significant.

Historic Resources

- Comment: CREED LA says a fair argument exists that historic resources may be impacted because the MND failed to include an accurate project description and disclose modifications on the Sears Building. In addition, they claim the MND does not bind the applicant to the preliminary designs and gives a deferred mitigation measure for the rehabilitation of the Sears Building.
- Response: The MND has detailed descriptions of the Project, page 2-1, and how the proposed changes would conform to the *Secretary of the Interior's Standards for Rehabilitation*, page 3-40. The case file also includes a detailed Conformance Review Report that was prepared by Chattel, Inc., a qualified preservation firm, with a detailed explanation of the regulatory setting, a project description and the historic context for the Project. Mitigation Measure 5-1 is not deferred mitigation since it requires that a qualified professional historic architect "ensure continued conformance with the *Secretary's Standards*." In addition, further clarification of this mitigation measure reinforces that no building permit shall be issued until conformance with the *Secretary's Standards* is achieved. This achieves compliance with the City's Ordinance Number 178402 which governs project review when historical resources are involved. Since the Project is also applying for federal historic preservation tax incentives, it must be approved by the National Park Service, further protecting the historic resource.

Land Use

- Comment: CREED LA, Sears lawyer Mr. Velkei and Mr. Legaspi questioned the project's consistency with the Boyle Heights Community Plan (community plan) and surrounding uses. The community plan, according to CREED LA, says the Sears site should be coordinated with a master plan, create a pedestrian bridge over Olympic Boulevard and integrate affordable housing.
- Response: The legal standard that governs land use consistency determinations is that a project must be in harmony with a plan, rather than

an exact match, or compatible with a plans objectives and policies [*Sequoyah Hills Homeowners Assn. v. City of Oakland* (1993) 23 Cal.App.4th 704, 717-18 and *Greenebaum v. City of Los Angeles* (1984) 153 Cal.App.3d 391, 406 and *San Franciscans Upholding the Downtown Plan v. City and County of San Francisco* (2002) 102 Cal.App.4th 678 and *Friends of Lagoon Valley v. City of Vacaville* (2007) 154 Cal.App.4th 807, 817]. As such, the Project's consistency with the community plan is detailed in Table 3.10-4 of the MND. The three recommendations CREED LA mentions – the master plan, the pedestrian bridge and the affordable housing – were developed for a 1990 Design Action Planning meeting. These recommendations are in the Introduction to the community plan to provide context. As found in Finding No. 3, the Master Plan cited by CREED was not developed by either the Department of City Planning or by the Community Redevelopment Agency whose Adelanto Redevelopment Plan includes the project site. The north side of Olympic Boulevard which was to be included in such plan was developed by other property owners. Because the Adaptive Reuse Ordinances were enacted 6 years after the Boyle Heights Plan was adopted by the City Council, it did not take into account the ordinances and the advantages thereof in the Plan Text. It should also be pointed out that pedestrian bridges which were in vogue at the time that the Boyle Heights Plan was being developed have fallen out of favor in Urban Planning circles because they inhibit activation of sidewalks and street frontages by taking pedestrians off of the sidewalks and onto aerial walkways which bypass commercial uses on the streets. Beginning on page 3-3, the MND analyzes the Project and concludes that it would have a less-than-significant impact on the existing visual character of the site and surroundings. In addition, the Project would be consistent with the surrounding uses as it would introduce commercial uses that would complement the existing commercial uses to the north and east of the site.

Parking

- Comment: Sears claims that the Project Applicant underestimates the need for additional parking for the new retail, restaurant and residential uses and that construction of the Project will block use of the existing parking lot and access to Sears' Parcel A.
- Response: The Project will restripe the existing surface parking lot so that the number of parking spaces will increase from 436 spaces to 613 spaces, accommodating both the Sears store and the new retail and restaurant uses. In addition, a new parking garage on S. Rio Vista Avenue will provide approximately 1,500 spaces for the new residential and office uses. During the restriping, the applicant will develop a phased plan to allow Sears to continue operating. Construction staging will occur on adjacent parcels and will have to adhere to a Construction Staging and Traffic Management Plan that will be approved by LADOT. Finally, Parcel A is not part of the Project - nevertheless the Project requires a new curb cut adjacent to the site so that Parcel A will not be landlocked.

PCB Contamination in Existing Building

- Comment: CREED LA claims that the MND fails to disclose and evaluate potential impacts from polychlorinated biphenyls (PCBs) in the caulking that might result from demolition in the existing building.
- Response: The full text of the MND does mention the existence of PCBs in older buildings such as the Sears Building, specifically in light ballasts, on page 3-76. The MND provides Mitigation Measure 8-3, which calls for a PCB abatement contractor to conduct a survey of the site prior to demolition activities to identify and assist with compliance with rules and regulations governing PCB removal and disposal. While the comments argue that this mitigation measure does not address PCB contamination from caulking, the measure is written broadly to cover all possible PCB contamination.

Population

- Comment: Mr. Legaspi claims that the MND did not completely or accurately calculate how much population growth the project would induce. He implies that an average household size of 3.79 should have been used to calculate the population growth.
- Response: Beginning on page 3-135, the MND analyzes the potential population growth from the project's construction, concluding that construction workers are unlikely to relocate to the area. The MND also calculated population growth using more accurate averages for live-work units and retail. The Project would introduce 2,060 residents and 930 employees, representing a negligible percent of the City's anticipated population and housing growth.

Safety

- Comment: Mr. Velkei of Sears claims that unless proper conditions of approval are met, construction of the Project would compromise Sears customer and employee safety.
- Response: Compliance with Cal-OSHA requirements for a construction site will assure the safety of customers and employees. In addition, the applicant has worked with Sears to develop additional protocols to be implemented during construction and will be included as safety notes in the plans – and implemented during the plan check, permitting and inspection process.

Schools

- Comment: Mr. Legaspi claims that the noise impact analysis is theoretical and does not address the impact on the neighborhood and 13 schools in the vicinity of the Project site. He also claims that schools would be negatively impacted by air quality and that the benefits to the community are not objectively shown.

- Response: Although construction for the Project has not started, the MND relies on published sound testing of various construction conditions. In addition, noise measurements were taken at locations nearest the proposed parking garage to show the impact on sensitive receptors like the Lopez senior housing project across the street from the Project. The noise levels are projected to increase by 0.1 dBA and 1.1 dBA, which are below the 5 dBA L.A. CEQA Guide threshold for noise impacts. In addition, noise impacts would be negligible to the Rio Vista neighborhoods and Garza Elementary School because of their distance from project construction. For every doubling of distance, noise levels drop. The school is 1,052 feet away from the proposed parking garage construction site. Buildings between the school and the neighborhood would also block and degrade the noise levels. It is not necessary to analyze the impact on the remaining 12 schools because they are farther from Garza Elementary School. The benefits to the entire community – including schools – are enumerated on page 2-11 and 2-12 of the MND. See Air Quality response.

Soil Contamination

- Comment: CREED LA says the MND failed to disclose and evaluate potential impacts from unresolved contamination associated with underground storage tanks (USTs) and a former gas station. Therefore, they state, a fair argument exists that disturbance of soil contamination may result in a significant impact including inhalation of contaminated soils. They cite an April 2004 Phase II ESA for Parcels A, H and F that states that some volatile organic compounds (VOCs) are present in the soils. Finally, they argue that Mitigation Measure 8-4 is inadequate because it is an example of deferred mitigation.
- Response: Beginning on page 3-74, the full text of the MND disclosed the history of USTs at the project site. The relevant aspects of 18 studies were cited to reach the conclusions in the Hazards and Hazardous Materials section. Only Parcel A is part of the Project site. (Note: Parcel A in this Phase II is different from Parcel A in the comments from Sears regarding parking.) The Project does not propose a change in use for Parcel A since that parcel contains the Sears building which will be adaptively reused. Furthermore, the April 2004 Phase II study tested the soils at greater depths and found that they did not contain detectable concentrations.

On page 3-75, the full text of the MND disclosed that the gas station was demolished in 1956. A March 2003 Phase II ESA was conducted at the former service station and determined that no further assessment would be needed if the site continued to be used as a parking lot for the Sears Building. Since the parking lot would be maintained as part of the Project, no further action is necessary.

While grading will be limited to the foundation of a new shear wall inside the Sears Building, Mitigation Measure 8-4 (MM 8-4) in the MND addresses any potential impacts from soil contamination including inhalation of contaminated soil. MM 8-4 also calls for site grading to be conducted under a Soils Management Plan (SMP) that includes the segregation, management

and remediation of soils impacted with chemicals of potential concern per South Coast Air Quality Management District (SCAQMD) Rule 1166. This SMP would also require trucks to be covered if contaminated soils are to be removed. MM 8-4 is an adequate mitigation measure because it is a commitment to an action. It is not an example of deferred mitigation because it does not depend on further study (court case *Gentry v. City of Murrieta* (1995) 36 Cal.App.4th 1359). Mitigation Measure 3-1 would also guard against possible impacts from inhalation of contaminated soil by requiring the unpaved portions of the site to be watered at least three times daily.

Traffic

- Comment: CREED LA and Mr. Legaspi had questions about the traffic analysis calculation method such as the use of a suburban traffic model. They also questioned the mitigation measures and trip-reducing adjustments that they claim overlap, such as the “walk-in” and “pass-by” trip reductions. They also claim the MND did not evaluate all intersections and how the project would impact pedestrians. There were questions about the freeway analysis and other transit benefits. Finally, the California Department of Transportation (Caltrans) was concerned about the construction-related heavy duty truck trips.
- Response: The use of adjustments is an appropriate approach used to calculate trip generation according to the Institute of Transportation Engineers (ITE) *Trip General Manual* (9th Edition, 2012). Adjustments added to a suburban ITE traffic model were approved by the City of Los Angeles Department of Transportation (LADOT) to reflect the project’s location. LADOT’s Traffic Study Policies and Procedures and the City of Los Angeles Travel Demand Model were used to develop the project trip generation estimates. The comment incorrectly conflates the “walk-in” and “pass-by” adjustment factors, which are for walking on foot and pass-by trips in a car. Another trip reduction credit of 15% for transit usage to supermarkets appropriately takes into account two modes of transit, walking and transit. This credit was also approved by LADOT.

The intersection locations were appropriate for evaluation based on their current levels of congestion, their operational levels of service and their anticipated traffic volume impacts from the Project. Using this approach the MND expanded the number of study intersections from an initially-scoped 18 to 21 and provided a comprehensive analysis of future traffic conditions beginning on page 3-187.

The intersections proposed for widening do not have medians for pedestrians. LADOT will therefore adjust the traffic signal timing to allow for safe crossing for pedestrians. This is the normal practice for street improvement plans. Furthermore, Mitigation Measure 16-2 will require signal systems upgrades along 8th Street and Washington Boulevard. Mitigation Measures 16-3 through 16-7 will require any necessary upgrades to traffic signal equipment along Alameda Street, Olympic Boulevard, Santa Fe, Soto Street, 8th Street and Washington Boulevard. In addition to these mitigation measures, the Project will incorporate pedestrian-, transit- and bike-friendly

features according to the Transportation Demand Management (TDM) Program (Mitigation Measure 16-1 of the MND). The TDM also includes improvements to the transit system such as shuttle service between the Metro Gold Line and the Project, as well as improvements to bus shelters/stops. The Project will also comply with Mitigation Measures 16-8 and 14-3, which ensure pedestrian safety during construction.

Beginning on page 3-173, the MND analyzes traffic volumes for intersections, freeways and the local transit system. Two studies – the Traffic Impact Study found as Table 3.16-5 of the MND and the March 18, 2015 Caltrans Freeway Impact Analysis – were used to assess potential impacts. The TDM Program elements were applied in the Caltrans Freeway Impact Analysis, thus lowering the net trips that were found in the Traffic Impact Study. Caltrans concluded in a May 6, 2015 letter that no mitigation measures are required at the freeway off-ramps. Finally, the MND includes a discussion on page 3-205 and 3-206 about how the Project might benefit the implementation of the City's 2010 Bicycle Plan. Regarding heavy duty haul trucks, operations shall be scheduled during off-peak traffic periods. In conclusion, traffic impacts were accurately measured and safety concerns for pedestrians were addressed in the MND.

This Mitigated Negative Declaration (EAF 2014-2809 MND) reflects the City's independent judgment and determined that this project would not have a significant effect upon the environment provided the potential impacts are mitigated to a less-than-significant level. I hereby adopt that action. I also adopt the project's Mitigation Monitoring Program for EAF 2014-2809-MND which is included in both the project's environmental file and the project file. The custodian of the documents or other materials which constitute the record of proceedings upon which the City's decision is based is the: City of Los Angeles, Department of City Planning located at 200 N. Spring Street, Room 750, Los Angeles, CA 90012.

Inquiries regarding this matter shall be directed to Alejandro Huerta, Planning staff for the Office of Zoning Administration at (213) 978-1454.



CHARLES J. RAUSCH, JR.
Associate Zoning Administrator

CJR:AH:Imc

cc: Councilmember Jose Huizar
Fourteenth District
Adjoining Property Owners