

Communication from Public

Name: Winston Stromberg
Date Submitted: 09/10/2024 04:18 PM
Council File No: 20-0789-S2
Comments for Public Posting: Please see the attached correspondence, which was transmitted to the City Council.

Stromberg, Winston (LA)

From: Stromberg, Winston (LA)
Sent: Tuesday, September 10, 2024 4:15 PM
To: 'councilmember.Krekorian@lacity.org'; 'councilmember.Yaroslavsky@lacity.org'; 'councilmember.hernandez@lacity.org'; 'councilmember.blumenfield@lacity.org'; 'contactCD4@lacity.org'; 'councilmember.padilla@lacity.org'; 'councilmember.rodriquez@lacity.org'; 'councilmember.harris-dawson@lacity.org'; 'councilmember.price@lacity.org'; 'cd10@lacity.org'; 'councilmember.park@lacity.org'; 'councilmember.lee@lacity.org'; 'councilmember.soto-martinez@lacity.org'; 'councilmember.kevindeleon@lacity.org'; 'councilmember.mcosker@lacity.org'
Cc: 'hydee.feldsteinsoto@lacity.org'; 'kevin.james@lacity.org'; 'kenneth.fong@lacity.org'; 'Osama Younan'; 'david.michaelson@lacity.org'; 'K. Hekmat'; Starrett, Cindy (LA); Arnone, James (LA); 'John Peterson'
Subject: LA City Council, Sept. 11, 2024, Mtg., Item 11, Motion re Wilshire Gayley Project - CF 20-0789-S2
Attachments: 9-10-24 Wilshire Gayley Letter to City Council - CF 20-0789-S2.pdf

Good afternoon, Honorable Councilmembers.

Please see the attached correspondence regarding the proposed Motion set for tomorrow's (Sept. 11) City Council agenda, item 11, regarding the Wilshire Gayley project. (CF 20-0789-S2).

Very truly yours,

Winston P. Stromberg

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LATHAM & WATKINS LLP

September 10, 2024

VIA EMAIL

Council President Paul Krekorian
Councilmember Katy Yaroslavsky
Honorable City Councilmembers
Los Angeles City Council
200 N Spring St.
Los Angeles, CA 90012

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Re: September 11, 2024, City Council Agenda **Item 11**: Motion Addressing Wilshire Gayley Project, 10955 Wilshire Blvd. (CF 20-0789-S2)

Dear Honorable Members of the City Council:

On behalf of our client Wilshire Gayley, LLC, this follows-up on the letter we sent the City Council on September 3, 2024,¹ in which we asked Councilmember Yaroslavsky to reconsider, and urged the full City Council to **reject**, the Motion Councilmember Yaroslavsky introduced on August 28, 2024 (“Proposed Motion”). Adoption of the Proposed Motion would further hinder the construction of the long-ago planned and approved Wilshire Gayley project (“Project”), which would provide much needed housing to the City of Los Angeles. The Los Angeles County Metropolitan Transportation Authority (“Metro”) has been unfairly blocking the Project for years, prioritizing the construction of its Westwood/UCLA Station and failing to take the Project into account in designing the Station.

Mr. Kam Hekmat—the Project’s proponent—has been developing projects in the Westwood area for nearly 40 years, including the Center West Building at 10877 Wilshire Boulevard and Plaza la Reina Hotel at 10850 Lindbrook Drive. For decades, Mr. Hekmat has been an advocate for revitalizing the Westwood community, and has put his heart and soul in to this Project, only to see Metro take the position that his Project must yield to construction of theirs.

Mr. Hekmat acquired the Wilshire Gayley property (at the northwest corner of Wilshire and Gayley) approximately 30 years ago. When he began working on the Project, his goal was to create an iconic building for Westwood in this important location, so he reached out to local community leaders to consult on the design. Mr. Hekmat worked very hard with the community to ensure that the Project would be compatible with Westwood. He retained renowned architect Robert A.M. Stern to create a tower inspired by the historic Flatiron Building in New York City.

¹ Our September 3 letter is located in the Council File at: https://clkrep.lacity.org/onlinedocs/2020/20-0789-S2_PC_AM_09-03-2024.pdf.

As designed, the Project would provide 250 apartment units in a 33-story tower. Attached hereto as **Exhibit A** are detailed renderings of the Project.²

The Project, originally approved by the City in 2010, when Metro was still in early planning stages for its Purple Line Extension, has vested rights pursuant to its recorded final map (which extended the vested rights obtained from the City’s approval of the Project’s vesting tentative tract map and zone change in 2010), as well as through its submittal of a complete plan check application and payment of substantial fees to LADBS in 2019.³

As our prior letter made clear, despite Metro being long aware of the Project, Metro’s structural design of its Westwood/UCLA Station—within City right-of-way on Wilshire Boulevard and on UCLA’s adjacent Lot 36 property—failed to take the Project into account.⁴ Metro has stalled the Project for over three years while it has raced to excavate and begin construction of the Station as fast as possible, and now asserts that Metro’s flawed design is Wilshire Gayley’s problem. Metro contends that Wilshire Gayley must redesign its already plan checked Project to reduce the load it places on Metro’s Station—at Wilshire Gayley’s own expense. This has all occurred at the same time that the City’s housing shortage has been worsening and as the City has acknowledged the pressing need for more housing.

Attached to this letter as **Exhibit C** is a detailed timeline about the Project, from its application to City Planning fifteen years ago through the present. The timeline shows how Metro essentially ground the Project to a halt in order to prioritize the construction of the Station.

Rather than adopt the Proposed Motion, we urge the City to try to help solve these problems, so that the housing the City approved long ago can finally be built. It is not too late for Metro to redesign its Station to acknowledge the existence of the Project, a requirement of Metro’s own design criteria that Metro has failed to meet, but without assistance from the City to help resolve this long-running dispute, the Project will remain blocked. As we noted in our prior letter, our client would welcome the opportunity to meet with the Council office and City Attorney’s office to discuss these issues.

We urge the City Council to reject the Proposed Motion.

Very truly yours,



Winston Stromberg
of LATHAM & WATKINS LLP

² Given that the City first approved the Project in 2010, we wanted to “re-introduce” the City Council to the Project’s history and details. On December 14, 2010, the City Council approved Ordinance No. 181,487, approving a vesting zone and height district change for the Project. This followed other land use entitlements approved by the City Planning Commission and Deputy Advisory Agency.

³ In addition, Wilshire Gayley paid over \$2 million in Quimby fees to the City in 2023.

⁴ Attached as **Exhibit B** are site plans showing the location of the Project and Metro’s Station.

LATHAM & WATKINS LLP

cc: Hydee Feldstein Soto, City Attorney
Kevin James, Office of the City Attorney
Kenneth Fong, Office of the City Attorney
Osama Younan, Los Angeles Department of Building and Safety
David Michaelson, Counsel to the Mayor
K. Hekmat, Wilshire Gayley, LLC
Cindy Starrett, Latham & Watkins LLP
Jim Arnone, Latham & Watkins LLP
John Peterson, Peterson Law Group
Laura Lake
Sandy Brown

EXHIBIT A









EXHIBIT B



LEGEND:
 ■ Station Entrance Plaza
 ■ Station Entrance Portal
 ■ Construction Staging Area

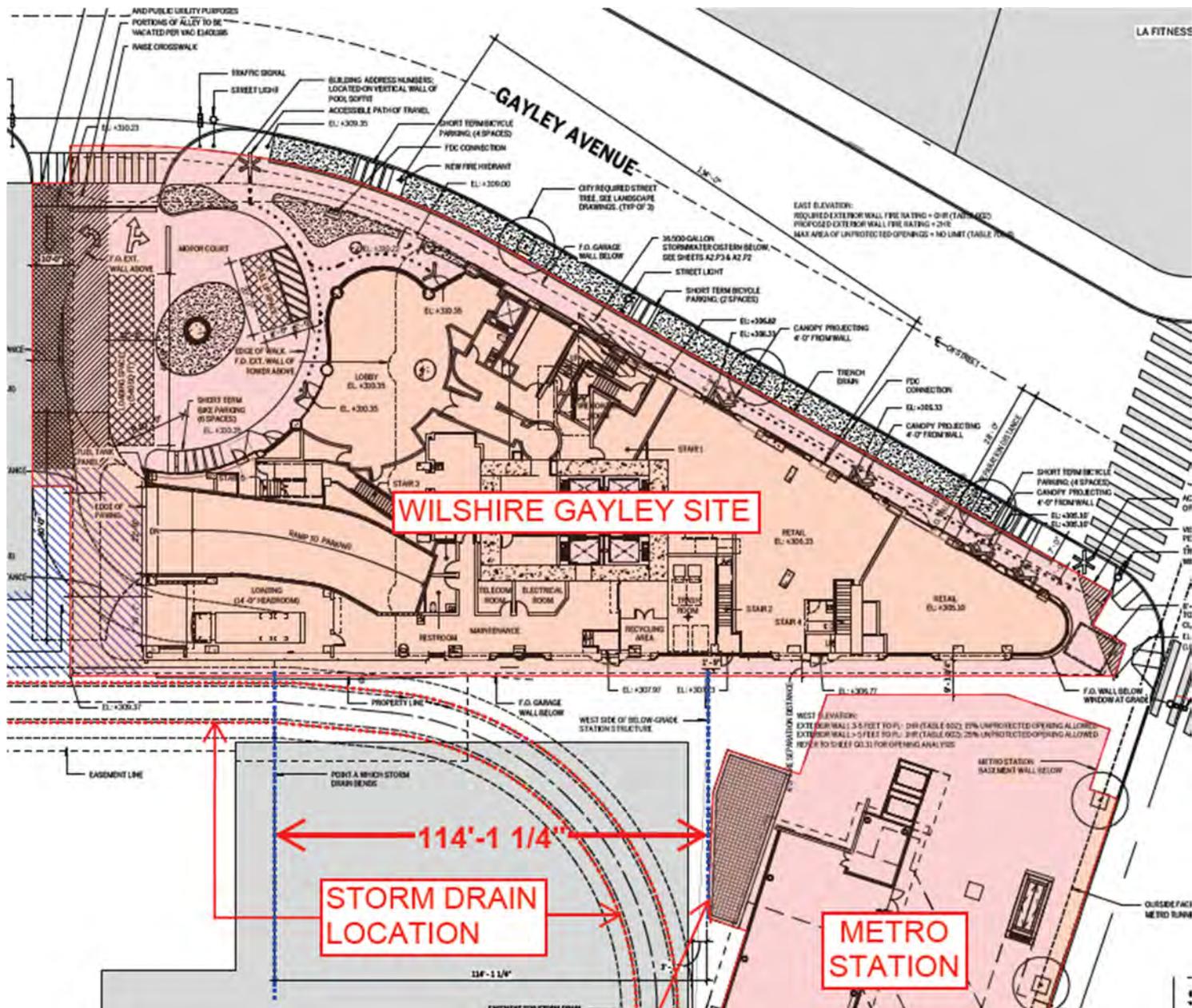


EXHIBIT C

Wilshire Gayley Project – Timeline of Approval Processes and Metro Delays

DATE	ACTIONS
January 2009	Wilshire Gayley files applications for project entitlements (Planning Case Nos. CPC-2009-143-GPA-SP-ZC-HD-CUB-CU-ZV-ZAA-SPR-GB and VTT 70935)
July 2009	Metro submits comment letter to City on Wilshire Gayley Draft EIR: “The proposed project site is within the study area for the Westside Extension Transit Corridor Draft Environmental Impact Statement/Environmental Impact Report (Draft EIS/EIR) which is currently underway. This study is evaluating a potential extension of the heavy rail subway to the Westside including a station in Westwood.”
July 2010	Deputy Advisory Agency approves VTM 70935 and City Planning Commission approves other project entitlements, allowing project to be built as a hotel or condominiums. Copy of CPC determination letter is sent to Metro.
September 2010	Metro releases Draft EIS/EIR for Purple Line Extension project, which notes that one potential Westwood station entrance would be “on the northwest corner of the intersection of Gayley Avenue and Wilshire Boulevard intersection near Lot 36 and the proposed hotel development.”
December 2010	City Council adopts Ordinance No. 181,487, approving vesting zone change and height district change for Project.
April 2012	Metro Board approves Purple Line Extension, approving “on-street” version of Westwood/UCLA station with subway portal structure and entry plaza on UCLA’s Lot 36 (adjacent to Wilshire Gayley property), with facilities set back from Wilshire Gayley property line. Metro Board rejects “off-site” alignment that would have routed tunnel underneath Wilshire Gayley property given proposed project.
December 2014	Planning approves Q-clarification allowing Wilshire Gayley project to be built as 250 apartment units (in addition to hotel and condo options previously approved). ¹
February 2018	Wilshire Gayley project initiates plan check application process with LADBS.
March – May 2018	Wilshire Gayley project team begins coordination meetings with Metro regarding planning and interaction of the two projects.
June 2018	Metro prepares addendum to its prior EIS/EIR to study “refinement” of Westwood/UCLA station plan that relocated station within 8-feet of Wilshire Gayley property line. Station revision was done at UCLA’s request. Even though Metro and Wilshire Gayley were having discussions about how to coordinate the projects, the addendum was not sent to Wilshire Gayley and did not disclose that this UCLA-requested change could greatly impact the Wilshire Gayley project unless Metro’s station was designed to accommodate the project’s loads. The Metro Board approved the addendum in June 2018 without ever being informed of its huge potential impact on a substantial City of LA housing project.
June – August 2018	Wilshire Gayley project permitting meetings with LADBS and LAFD regarding protected openings on west wall of building resulted in redesign to shift above-ground portion of building 4 ½ feet east (subterranean portion to be built to property line).
April 2019	Metro Board authorizes award of Purple Line Extension Section 3 stations contract to Tutor Perini/O&G JV.

¹ In 2015 and 2020, respectively, Planning also approved various minor variances and tract map modifications to ensure the Project could be feasibly constructed given its site constraints.

Wilshire Gayley Project – Timeline of Approval Processes and Metro Delays

DATE	ACTIONS
December 16, 2019	Wilshire Gayley files complete building plan check application with LADBS; over \$2 million in fees paid (including expedite fees).
Early 2020	Metro asserts it has right to review Wilshire Gayley project’s plans (filed with LADBS) under City of LA ZI No. 1117, and has the power to mandate a hold on LADBS building permits until it concludes project will not impact Westwood/UCLA station. Project plans (architectural, structural, fire, etc.) are sent to Metro for review.
May 2020 – Sept. 2021	Metro correspondence and review continues; Metro asserts Wilshire Gayley has responsibility to study impacts from project on Metro’s proposed station structures on adjacent property. As a result, in September 2021, Wilshire Gayley is forced to commence litigation against Metro.
January – February 2021	Metro staff advises LADBS staff that “Metro has a number of significant issues that must be resolved before Metro can provide clearance on any of the pending LADBS permits. We hope that all LADBS permits can remain on hold until we can resolve these issues.”
October 13, 2021	LADBS plan checker confirms that all plan check corrections are addressed on Project’s architectural and structural plans.
October 22, 2021	After learning BOE issued shoring/grading approvals to Metro for tunnel and station construction under Wilshire, LABDS issues plan check correction sheet to project, requesting additional information about Metro station’s impact on Project.
December 2021	At Metro’s request, Wilshire Gayley and Metro enter into agreement for third-party (GeoPentech) review of project’s structural impacts on Metro facilities; completion targeted for early Spring 2022. <u>Wilshire Gayley learns from third-party engineering study that Metro’s Station design did not take into account structural loads from Wilshire Gayley project.</u>
Late 2021 – <u>present</u>	Metro ongoing review and comments on project’s support of excavation/shoring plans; <u>Metro still has not issued clearance.</u>
June 2022	Third-party engineering firm GeoPentech completes work; Metro asserts GeoPentech work is not detailed enough and more study is needed
Sept. 6, 2022	<u>City Council adopts motion instructing LADBS to remove Metro clearances and refrain from imposing further Metro-related permit requirements on project.</u>
Sept. 7, 2022	LADBS Grading Division issues additional letter supplementing and clarifying Oct. 2021 plan check correction sheet.
October 2022	Wilshire Gayley and Metro enter into amendment to third-party agreement for additional structural study to be done to satisfy Metro.
November 2022	BOE approves project shoring drawings; including geotechnical review.
July 26, 2023	Final Map for VTM 70935 recorded.
October 2023 - <u>present</u>	Additional structural study (GeoPentech and Arup) completed; Metro reviews to determine if design changes are needed for station structure. Metro asserts position is that the Wilshire Gayley project, as currently designed, will impose unacceptable pressures on Metro’s Station and that Metro will not make any changes to its design.

Wilshire Gayley Project – Timeline of Approval Processes and Metro Delays

DATE	ACTIONS
December 2023	All clearances (<u>ongoing since early 2020</u>) for building permit completed – all remaining is compliance with plan check correction sheet/Grading Division letter, <u>which cannot be done until Metro signs-off on shoring and structural design (and redesigns its own project to take Wilshire Gayley into account)</u> .
May 2024	LADBS issues six-month extension to plan check due to Metro’s delay; additional extensions likely to be needed.