

**Board Report**

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**File #:** 2016-0121, **File Type:** Agreement**Agenda Number:** 11

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**PLANNING AND PROGRAMMING COMMITTEE  
MARCH 16, 2016****SUBJECT: MEMORANDUM OF UNDERSTANDING WITH CITY OF WEST HOLLYWOOD FOR  
DIVISION 7****ACTION: AUTHORIZE EXECUTION OF MEMORANDUM OF UNDERSTANDING****RECOMMENDATION**

**AUTHORIZE the Chief Executive Officer (CEO) to execute a Memorandum of Understanding (MOU) with the City of West Hollywood for a joint visioning process for Division 7.**

**ISSUE**

In 2015, the Metro Board directed staff to work with the City of West Hollywood (City) to pursue an MOU to establish a collaborative process and general framework for the planning of any improvements and potential development at Division 7, a Metro maintenance facility with a fleet of 230 buses. Through initial collaboration and study, staff has identified portions of Division 7 that have potential for development that maintains the facility's current operations and meets the City's objective to extend the current retail/commercial frontage along Santa Monica Boulevard, improve neighborhood compatibility and create a more dynamic pedestrian oriented environment for the community.

**DISCUSSION**

Metro received an unsolicited joint development project proposal for Division 7 in October 2011, from Cohen Brothers Realty Corporation of California (CBRCC). The proposal contemplated using the Division 7 property for a commercial/residential development and rebuilding Metro's bus operations and maintenance facility as an underground facility. A two-year Exclusive Negotiating Agreement (ENA) was entered into between Metro and CBRCC in April, 2013. With the ENA set to expire on April 17, 2015, the West Hollywood City Council took action on February 17, 2015, requesting that Metro allow the ENA to expire due to lack of support for the proposed project from the residents, community and City staff. The City Council also affirmed the need for an MOU with Metro (Attachment B) to establish a collaborative visioning process to explore the potential for development of the site.

Upon expiration of the CBRCC ENA, Metro staff began meeting with City staff to develop the MOU for the Division 7 site. Through this process, Metro staff identified two areas with near and medium term opportunities for development which can both maintain the facility's current operations, and meet many of the City's objective of extending the current retail/commercial frontage along Santa Monica Boulevard. These areas include: a) a narrow strip of landscaped area (approx. 20 feet) between the existing Division 7 building and the sidewalk - Parcel A; and b) the surface parking lot (approx. 20 spaces) located on the eastern portion of the Metro property - Parcel B. (See Attachment A, Exhibits 1, 2, 3).

The MOU includes an outline of the process for working collaboratively to create a joint vision for the site, as well as the respective obligations of each entity and potential future public-benefit opportunities. The parties agree to work together in good faith to:

- a. Identify shared values and interests.
- b. Identify opportunities for consensus building and collaboration.
- c. Establish protocols for ongoing community engagement and interagency communication.
- d. Establish a collaborative visioning process for those parcels that:
  - i. Advances the parties' objectives.
  - ii. Results in formulation of Outreach, Preliminary Concept Development and Feasibility Studies.
  - iii. Identifies responsibilities for each party (i.e., facilitation of outreach efforts, rezoning, identification of capital projects and funding, potential RFP for joint development).

Furthermore, the MOU states that:

- a. Operational and occupancy cost neutrality must be maintained for Metro in any and all scenarios.
- b. No project shall create degradation of service or impact to operations.

Public outreach will be led by the City of West Hollywood with the participation of Metro. Any private/public partnership on Metro land may require an RFP and/or RFQ process for selection of a developer. Additionally, Metro will update its Master Plan for Division 7 as necessary to reflect the outcome of the visioning process. While this MOU is proposed only between Metro and the City, an amendment could be executed in the future to include the County of Los Angeles as a third party. The County may wish to participate in the process since the Sheriff's Station site is located adjacent to the Division 7 site along San Vicente Blvd.

The West Hollywood City Council is set to act on this item in March. City staff has recommended approval.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will have no impact on safety. Metro's Facilities' Management staff has participated in the most recent process of identifying portions of property on Division 7 that have the potential for development. Safety, as well as full and continuous operation of Metro's facility, has been established as a priority. Metro's operations staff will continue to review and comment on the proposed development to ensure that any proposal has no adverse impact on the on Metro's operations.

### **FINANCIAL IMPACT**

This project will be managed with existing staff and budget from the Joint Development (cost center 2210) and Strategic Initiatives (cost center 4530) departments in FY16. Financial resources for reviewing any financial analyses, negotiations support and conceptual design review have been requested in the FY2017 budget in the Joint Development cost center, 2210.

As noted above, the MOU requires operational and occupancy cost neutrality for Metro in any new development scenario.

#### **Impact to Budget**

The FY16 adopted budget includes funding for this project - 401013 - in cost center 2210 to cover staff costs.

### **ALTERNATIVES CONSIDERED**

The Board could choose not to proceed with the recommended action and could direct staff to (a) not enter into an MOU with the City of West Hollywood; or (b) seek different development options for the site. Staff does not recommend proceeding with these alternatives because the recommended action moves forward the directive by the Board to have an MOU where we can work collaboratively with the City of West Hollywood and engage in a mutually beneficial visioning process.

### **NEXT STEPS**

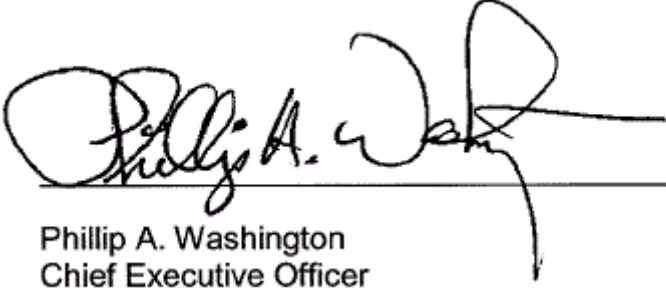
Upon approval of these recommendations, the MOU will be executed and Metro staff will work with City staff on a schedule of key milestones. The initial steps will include preparing a community outreach plan with the City and creation of conceptual site plans and development alternatives/scenarios by the City's consultant.

### **ATTACHMENTS**

Attachment A - Area Site Maps  
Attachment B - Memorandum of Understanding

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