

BLYTHE : So, you really don't have a picture in mind of how the financing comes together on this. It's up to us to really kind of figure out and be creative?

HULL : Well, again the issue is we have to take into consideration what the overall footprint will be at some point. And when the footprint changes, the financing stuff should potentially take. So, in terms of they're the usual... and you know the bucket of funds that are available for public-private partnerships. They don't change. You have like specific revenues. You have Section 108. You have new market tax credits. You have bond financing.

I mean, so it's all on the table and the amounts depend on the kind of tenants you'll get and the uses of the land, but the bucket remains the same.

BLYTHE : Okay, thanks.

FRANCIA : And just to clarify again for the purpose of this RFQ, we're only asking for statement of qualifications. The more complex financing structure proposal will come later on with the RFP process, which will be later on.

RAMSEY : Good morning. Kevin Ramsey. I'm with the National Association of Minority Contractors. And I was looking in Section 2.6.3, "Construction Careers and Projects Stabilization Policy." The section talks mostly or all about construction careers and it says nothing about project stabilization policy.

And I was wondering, what's the difference between the two. I kind of know, but I just want to.. I think I know. And I just make sure that it's inside the RFQ that you guys do have a project stabilization that is with this.

CHUN : Yes, I think there's and I'm going off the top of my head. We have a construction careers policy that we have information on our website regarding that. But there are certain thresholds or I guess the level of CRA participation triggers different levels of that policy where I believe it's... I don't remember the threshold number. There's a threshold number, a dollar amount with CRA financial assistance, but also a square footage.

And I'm pretty sure this will exceed that where it just requires kind of a local hire. But like I said, this project will

probably most likely exceed that threshold. It will require the careers stabilization policy, which has a little bit more requirement on how you bring contractors into the job. Like how we monitor that and audit that.

But that information is on our website and I encourage you to look at that policy as well as all the other policies that we have because again this project will likely trigger all with the exception of the housing policies. It will trigger prevailing wage. I'm sure it will require some kind of green, green standards to this agreement onto this project.

So, you should definitely be familiar with all the CRA policies that our Board has adopted and is highly keen on seeing pushed through and assume that those policies should be, will be incorporated into any proposal that you have for this project.

RAMSEY : I believe the project stabilization policy has to do with contractors, which I represent. And it has to... you have to join the union or that job and pay into the trust funds and all that type of stuff, which really is like what we consider a barrier to doing actual work on the job as a contractor, not as a worker. So, that's why it says it right there, but you never

mention it, you know, the where the policy is or anything else in the paragraph below it, so.

HULL : It'll be in. Ultimately, this is about the qualifications for a developer. You're absolutely right. In the actual RFP that outlines all the qualifications that will have to do with a project that all those policies will be triggered and will be kind of outlined more clearly. But if you want, we can either send you directly all that information or we're happy to have someone talk to you about what those policies are, so to give you some clarification on that.

RAMSEY : And then one other thing is it doesn't say anything about... it says a lot about the workers, but it doesn't say anything about the minority contractors and the local contractors and the small businesses, how they get to fit in with this project. You know, if you have any policies on that that could trigger. You know, you guys have to have, you know, so many local contractors or minority or small businesses. There are also developers who just bring in anybody.

HULL : Right, we do have a local hire policy. And actually, why don't you and I kind of sit down and talk about those

particular issues with our Contracting Department. It's a larger issue I think you're trying to get to.

RAMSEY : Okay, thank you.

HULL : Let me get your business card.

RAMSEY : All right.

NATKER : Good morning, Andy Natker, Haagen Development Company. I got a number of questions and they're pretty simple relative to what you guys are going through. The first question. I saw in your RFP there is a CRA policy about living wages. What does that apply to? Does that apply to the tenants that will be coming into the shopping center?

FRANCIA : That applies to those that are going to be working on the developments. So, there is actually a policy on living wage. I believe any CRA assistance over \$100,000 triggers the living wage and then...

NATKER : I don't understand. You mean people who work for me as a developer or people who...?

FRANCIA : Not those that will live in the development.  
It's those who are going to be working on the project.

NATKER : Well, there's a prevailing wage. [OVERLAP]

CHUN : So, the prevailing wage applies.

NATKER : I'm not talking about prevailing wage.

CHUN : But the prevailing wage...

NATKER : I'm talking about living wage.

CHUN : The prevailing wage applies during construction.

NATKER : Right.

CHUN : And your team and the contractors, the general  
contractors. So, the living wage would apply to those onsite.

NATKER : Are you saying that the tenants that would be in  
the shopping center? Let's say Target, Macy's. I'm just

throwing names out. That those tenants are going to be required to fall under your living wage guidelines.

CHUN : Yes, that is how the policy stands now.

NATKER : Okay.

CHUN : And that's nothing new.

NATKER : I'm just saying that that is a huge.. I mean it's one thing with supermarkets, but when you're talking about retailers, I have never ever heard of that policy.

HULL : Let me clarify this. Only if, for example, that tenant is actually the developer. So, if they're the developer. It would apply to you as a developer for your... the person who's managing the property day-to-day there. That does not go to the tenant.

CHUN : So, if, let's say [OVERLAP] if Target or Macy's is the developer.

NATKER : I see.

CHUN : If they're the owner-developer, they would trigger.  
They would require to pay living wage.

NATKER : So, if they were managing.

CHUN : The property management...

NATKER : Like, for example, in our company, we develop and  
we manage projects. So, in our case, we would have to be paying  
our employees' living wage.

CHUN : Yes.

NATKER : Does it apply to our outside vendors?

CHUN : For onsite or...?

NATKER : Onsite.

CHUN : No. No.

NATKER : Let's say I hire a landscaper.

CHUN : No, not for vendors or contractors. No.

NATKER : I just want to clarify it because as it relates to tenants it's... [OVERLAP] Okay, just to give you... when you build a shopping center, especially this center this size and you do freestanding pads and you ground lease, you're going to ground lease to restaurant tenants, for example.

CHUN : Right.

NATKER : Let's say you ground lease to... this is a very critical issue because it has a severe impact on the way you can develop a project like this. Let's say you have Chili's. Does that mean that Chili's as a developer of that pad would have to pay per... their company would have to be a prevailing wage requirement?

CHUN : Let me make it more simpler. For those that benefit from CRA financial assistance requires them to pay prevailing wage. If they're onsite, living wage. So, if the developer has the negotiations with the tenant and that tenant's not receiving or the CRA financial assistance and not passing down to that

tenant. That tenant, there's no strings. You know, they're not touching the CRA money.

NATKER : Okay.

CHUN : But those that touch it and receive it, they'll have to pay living wage.

NATKER : Okay. Okay. How about CEQA? Is the CRA going to provide assistance on the CEQA?

CHUN : Well, actually that's a very good question. Right now, so, there are seven project areas in the South Los Angeles region, but right now, we're going through a huge administrative task of merging seven of those project areas. And one of the requirements for that is to do a CEQA. So, what we're doing is programmatic and project EIR for all seven-project areas of which we have this site on our project description. And I don't remember the square footage that we have, but we've maxed out the development potential on this particular site.

So, yes, we're going through actually a CEQA process right now. And it'll be a full EIR that we're going through. So, that's a

very good question because that will be an obstacle that will be removed for the development team that wins this opportunity.

NATKER : Good. How about entitlements?

CHUN : Entitlements. That's up to the development team. That's the responsibility of the development team although, once the CRA supports and selects a development team and proposal, we'll assist in any way, but ultimately that's the responsibility of the development team.

NATKER : Can you provide us... one of the issues, the Baldwin Hills-Crenshaw Plaza. The redevelopment of that or the... let's say the revitalization of that project. Can you tell us who the anchor is for the project because it has a major impact on the kinds of tenants and the kinds of development you can provide in Marlton [OVERLAP] [SQUARE].

CHUN : Right. It does. Right now, so they're going through a renovation, which isn't their full revitalization. Right now they're renovating some of the interior mall space like the Food Courtyard and in terms of outlining areas of their property. They're taking down the gates, improving their landscaping and

the walk-abilities. They're renovating the theater. And so, that's just the renovation.

In terms of the ultimate development, that hasn't been. They are just really early in the process right now of that. So, they don't have signed ink or tenants although Wal-Mart is slated to stay. Macy's is slated to stay. But otherwise they would like to keep as many tenants they have right now there as possible, but again, they're early in the process and they haven't confirmed who any of their tenants are.

NATKER : Yeah, the rumor... the rumor on the street is that Wal-Mart wants to move out of the old Broadway, takeover the site where the Magic Johnson Theater is. And I don't know where the Magic Johnson Theater goes, but that's what we all hear in the development side of the business that the site where the theater is, which is right next to Marlton Square would be a single level, 130,000 square foot Wal-Mart.

HULL : This again, this is why we're doing the RFQ, the Request for Qualifications. It would be up to the development team to strike a relationship with the owners of the mall and work through uses that are complimentary to the mall. So, those

rumors may or may not be true. And it will be part of the development team's task is to have those conversations.

I know from conversations with the development team they are very interested in obviously in having uses at Santa Barbara Plaza that are complimentary to whatever they're doing. So, they're very open to those conversations.

NATKER : Is there going to be any difference in their parking requirement that the City of Los Angeles has visa 'a vie what the... [END OF SIDE A] Is there anything that the agency is going to bring to the table to reduce that requirement or increase that requirement?

HULL : That would be something that we could talk about as we get to the RFP depending on how things are designed, but at the moment I don't... I don't see any reason to think that that would change.

NATKER : Oh, one last question. Yeah, are there any plans for street widening on Martin Luther King Blvd.?

HULL : Street widening? No. No, I don't believe there's street widening. No.

NATKER : So, the site, the 8.3 acres is a site that we're not going to lose anything from.

CHUN : I mean I would say, I mean that really are decisions made by DOT. DOT is the one that will say you need to widen your street for traffic-calming measures. I can't speak on their behalf. I wouldn't assume necessarily for sure that some city department might require a street widening. So, I don't have an answer for that. That's really once you again go through your entitlement process. And hopefully when you go to DOT, they'll have some good answers for you.

NATKER : And one last question. The price on this project, the land price that the agency has got a request from the developer, are you looking at doing a typical redevelopment and reuse appraisal in terms of what the valuation is in terms of what we'll...?

HULL : We're going to look at residual land values.

NATKER : Residual land. Okay. Thank you.

WOMAN : You're welcome. That's a good question.

JONES : [DEVITAS] Jones, Integrated Capital. Recently moved here from Atlanta where I did commercial development. And two questions. Can you speak to... I think you mentioned issues with the previous developer that one might want to avoid.

CHUN : Well, I mean I really don't want to get into the past. The past is the past. Whatever happened to the previous developer, I just really don't want to get into that. I really want to concentrate on moving forward. And, I don't want to devalue your question, but I just want to get into the sense of, you know, moving forward with the best development team possible and...

JONES : Would you know of there's any kind of... for someone that's not from LA. You know, just recently moved here. I live in the area, but, you know, I did know that there were previous issues.

HULL : Yeah, there have been, but the variables of those issues then; the timing, the variables are just not replicated now.

JONES : True.

HULL : So, I hear what you're saying. Who wants to make the same mistake twice? I mean, you know, why would we want to do that? I just don't think there's a lot that we could say here that would assist you in your... in giving you qualifications.

CHUN : Fair point.

JONES : And for smaller developers, how can they participate? Is that something that you guys would setup or they would do individually with, you know, because I'm not sure how it would be setup. Would there be a lead developer or one developer that and if you are not picked, but have some ideas that they could partner with, would you encourage that or how does that work?

CHUN : We are open to small developers. Small companies as well. Small firms of any kind. And we also are open to being in partnership with other development teams and whatnot, so.

JONES : So, it shouldn't preclude you from stating your qualifications and that kind of thing, is it?

CHUN : No. Oh, no, no, no.

JONES : Based on your size as far as capital and that.

CHUN : No. You know, we look at the overall package. I mean, if it's kind of just one small team against a larger team, I mean there might be some advantages that the larger company might have, but we don't just look at the bottom line. There may be other intangibles that we look at as well. I mean so, I mean we're pretty open.

JONES : Okay. I know you mentioned. Go ahead.

HULL : Just to add that.

JONES : Sure.

FRANCIA : Again for the RFQ, we're really looking at, it could be a combination of teams, partnerships in terms of, you know, retail developers and commercial developers. And so, I think like Billy said, it's really just the experience and the expertise in these things. And so, we're really open to that. Again, for the RFQ process, that's going to be the distinguishing factor that, when we are able to short list the next, which is the RFP process.

JONES : And the last question. You mention that the remaining properties in litigation and once that's settled, the owner will be a developer or would be an owner that would develop the remaining site. Is that true?

HULL : We're not sure yet. We're not sure.

HULL : We don't know who's coming out of litigation.

JONES : How much is that?

HULL : I'm sorry?

JONES : How much of that land will they control? Of the 21.7, you're talking 8.9.

HULL : Is it 12? Like what's the number on that because the Buckingham's like 2. Let me get the exact number. I think it's over 10, but I will clarify that exact number for you as it be 10 or 11. They own... [OVERLAP] they would own the larger. Whatever the number is it's larger than the 8.3.

JONES : That's... Thank you.

HULL : You're welcome.

FRANKLIN : Good morning. [CHERI] Franklin. I just wanted to clarify on the site. I know that it was a little bit larger than other concepts. So, just to the west, is that still potentially slated for retail commercial development going towards the Founders National Bank building? This there. Yeah, that area was condos at ne point and then off the table, but would there be another developer or that would housing goes towards that way, or what have you developed on that side?

HULL : Yeah, the site that you're referring to is part of the litigation site.

FRANKLIN : Yes.

HULL : And you're absolutely right at one point. Yeah, it's right there. Isn't that Buckingham? That's Buckingham. Okay, yeah.

FRANKLIN : Yes.

HULL : At one point, it was slated for condo. It is open to what could go there now. We are not. That old site plan is just over.

FRANKLIN : Over. Okay.

HULL : Yes, so, we're not wedded to that and so that would be open to what the development team field would pencil there.

FRANKLIN : Okay, and are there any like collective plans by and between the Baldwin Hills Plaza, the mall, and what could happen at Santa Barbara Plaza for partnering with Metro for

parking? So, that there can be some kind of shared or parking demand management program there.

HULL : That's a really good point. We have been in discussions obviously with Capri about various aspects of their project. And it's really important for the CRA, the city, and Metro that this be planned in such a way, so it maximizes the community benefit. And the shared parking scenario is obviously something we've been thinking about.

Again, it's hard to quantify that until you actually know how you're programming it because, you know, if you have nothing but restaurants. You have more parking requirements than you would if you had some other use. So, until that aspect... So, to answer your question, the concept is there and we plan to work very collaboratively. This is going to definitely be a project where it's going to require a lot of collaboration with the CRA, the city, MTA, and all these different departments, including the owners of the mall.

FRANKLIN : Okay. And the last thing, has there been any consideration to a bridge in between the mall site and Santa Barbara Plaza? Sort of like some of the other. Like I

guess Westside Pavilion has a nice bridge from the bigger to the smaller.

HULL : Yeah, and, you know, we thought this conceptually about the various traffic-calming methods. And if eventually a bridge was cost-effective and was we felt absolutely needed, we would certainly consider that. Bridges are often cost-prohibitive.

FRANKLIN : Yes.

HULL : But it's again not... it's very important that these two landmasses interact with each other.

FRANKLIN : Yes.

HULL : So, however we are best able to make sure that that interaction happens, we will pursue that.

FRANKLIN : Yes, I guess and they probably can speak to the bridge that's there now between the two. It sort of has some retail components on both sides.

HULL : Yeah, you can make it so that it's actually an income-generating component as well.

FRANKLIN : Okay, thank you.

MAN : One more. One more quick question. Part of the problem of doing larger developments in our communities is the lack of depth. Have you guys looked at extending these, the site south to or maybe doing a flip with the residential developer to procure more depth, so that you can get larger tenants?

HULL : Oh yeah, you know, again that's a good question. Again, let me clarify that. The old site plan what had, you know, retail. I mean it's probably clear that the retail would front and okay, just because of the traffic count. But in terms of that the concept of the residential being to the back and the number of units, all of that is not on it. I mean that site plan is just not in existence anymore.

So, I think the current market environment is very different than the market environment was before when we were looking at that residential. So, to answer your question, I think that's

something that would definitely be discussed and opened it. Think of this as a blank slate and however it's most efficiently developed, that's the plan we're going to go for.

WOMAN : Any other questions?

HULL : I want to thank all of you for coming out. As you know this is a very important project. By the way, I'm Caroline Hull. I'm the Regional Administrator for South LA. And I want to thank Billy and Margie for doing such a wonderful job putting this together. They did an excellent job. And I want to thank all of you for coming downtown and talking to us about this.

This is an important project and we want to keep the dialogue open for everyone in the room regardless of whether it's this project or some other project in South Los Angeles. We have a lot of needs in South Los Angeles. And I hear everyone's comments about local hire. We do have a local hire policy. It's important to us that we actually get everyone in the community involved in these developments at various levels.

So, feel free to contact me if you have any other questions regarding those issues as we've talked about before as it pertains to the RFQ. There's a certain process that one must go through this to have your questions answered for that. Anything you want to add?

FRANCIA : And just to reiterate timelines again. Any questions you may have that maybe you think about after this meeting then please make sure that you e-mail those questions to Donna Yep by July 21<sup>st</sup>. And again RFQs are due August 4<sup>th</sup>.

CHUN : Thank you. //END OF FILE: NP12947//