



**ERIC  
GARCETTI** ✱  
President, Los Angeles City Council  
COUNCIL DISTRICT 13



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## **AGREEMENT REACHED WITH BLUE FAMILY TRUST ON HOLLYWOOD & VINE PROJECT CATALYTIC PROJECT CAN NOW PROCEED AT WORLD FAMOUS INTERSECTION**

Hollywood -- City Council President and Hollywood area representative Eric Garcetti today announced a milestone agreement green-lighting the Hollywood & Vine project. The agreement was reached between the Blue Family Trust, owners of the Bernard Luggage Building on Vine Street, the Community Redevelopment Agency of the City of Los Angeles (CRA/LA), and project developers, HEI/Gatehouse Capital and Legacy Partners.

"This is a great day for Hollywood," said City Council President Eric Garcetti. "By bringing all the different parties together, we united behind our redevelopment goals of joining local businesses with transformative new energy, creating permanent living-wage jobs and new housing at every income level."

"Because of the personal involvement of the Council President and his staff, we have a 'win-win' solution that blends the old with the new, allowing our family-run small business to retain ownership of the same location it had been in for over half a century and to be part of this new development," said Bob Blue, owner of Bernard Luggage Company. "I also appreciate the efforts of the project developers and the LA City family to make this happen," said Blue. Mr. Blue also said that he will be focused at the State Level on issues affecting small businesses and individuals facing Eminent Domain for private transfers.

Previously in separate public meetings, the CRA/LA Board of Commissioners and the Los Angeles City Council unanimously approved the Hollywood & Vine project, a mixed-use, transit-oriented development to be developed by Legacy Partners and a joint venture between Gatehouse Capital Corporation and HEI Hospitality, LLC. The project will include 375 apartments and a 300-room W Hotel, with up to 150 W Residences and up to 61,500 square feet of retail space.

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Among the project's numerous public benefits are 79 affordable units for very low, low- and moderate-income households; a first-source hiring program in coordination with Worksource Hollywood to facilitate the employment of local residents; \$30,000 to fund community outreach programs for the Health Insurance Trust Fund; \$100,000 to fund job-training programs for the Culinary Institute and \$50,000 for Health Care Careers; and a \$500,000 endowment to Hollywood High School for Performing Arts. In addition, HEI/GC Hollywood and Vine has signed a neutrality agreement with the Hotel Employees and Restaurant Employees Union, Local 11.

The project is expected to generate \$167 million in taxes to the City of Los Angeles through 2036 and \$92 million in tax increment revenue to the CRA/LA through 2036, of which \$25 million will be set aside for housing.

"We are delighted to have reached an agreement with Mr. Blue and can now move forward on a truly significant project for Hollywood," said Cecilia V. Estolano, CRA/LA Chief Executive Officer. "We appreciate Council President Garcetti's leadership in forging a solution beneficial to all sides."

"We very much appreciate the continued leadership and support of Council President Eric Garcetti in assisting all parties to arrive at this mutually satisfactory settlement," said Marty Collins, president and CEO of Gatehouse Capital and developer of the W Hotel and residences.

"With this issue behind us, we can now focus our efforts on starting construction on the Hollywood & Vine project," said Dennis Cavallari, senior vice president and partner at Legacy Partners.

Groundbreaking is expected in the fourth quarter of this year. Project completion is anticipated in the second quarter of 2009.

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