Centinela Development Partners
11100 Santa Monica Boulevard, Suite 400
Los Angeles, California 90025

Dear Councilmembers:

On behalf of Centinela Development Partners, I appreciate your interest in The Entrada Project, which is scheduled for your review and consideration at the April 14, 2008 City Council hearing. As the applicant, we are very proud of The Entrada project, which will be a landmark office development that will provide Culver City with many benefits.

For your convenience, we have prepared the enclosed materials, which summarize the many benefits it offers to Culver City and addresses the most significant issues involved to a few pages.

The Entrada project will attract over 1,000 high paying jobs to Culver City. As a Class A office building, the tenants are expected to be Fortune 500 companies, major professional firms, financial service firms and other major businesses. These employees will benefit Culver City businesses in a variety of ways, including by shopping at nearby stores and dining at nearby restaurants.

The Entrada project will generate approximately $1,900,000 in annual tax revenues for Culver City. Of this amount, $825,000 will be allocated to the City's general fund in new sales, utility and business license tax revenues. The Redevelopment Agency will receive approximately $1,043,000 each year, of which the Agency's Affordable Housing Trust Fund will receive approximately $261,000. Over a 15-year period from 2010 through 2024, the City would receive approximately $15.5 million in new tax revenue, and the Agency would receive $13.5 million dollars in property tax revenue and $4.5 million for the Affordable Housing Trust Fund, for a total of almost $33.5 million.

We have agreed to donate a police motorcycle to the Culver City Police Department and an ambulance to the Culver City Fire Department. In addition, we are committed to spending almost $1 million for on-site art projects to enhance the Project's environment.

If you have any questions about the Entrada, please feel free to contact me at (310) 575-1735. We look forward to working with you, and appreciate any opportunity to respond to questions, concerns, or requests for additional information.

Very Truly Yours,

Brandon Taylor

INTRODUCTION TO THE ENTRADA PROJECT

The Entrada is a proposed 13-story office building at 6161 Centinela Avenue, adjacent to the existing Radisson Hotel. The Entrada will be a state-of-the-art building that will revitalize the property and bring significant benefits to Culver City. Located in one of Culver City's redevelopment areas, the new office building and associated parking structure will be built on what is currently an underutilized asphalt parking lot. The location of the project site is illustrated by a map attached as Exhibit A. Key elements of the Entrada project include:

- The building will be an architectural landmark designed by the world-renowned architectural firm, Gensler. Renderings of the building are attached as Exhibit B.
- The building will provide 342,409 gross square feet of Class A commercial office space.
- A 1,240-space parking structure will serve both the Entrada office building and the Radisson Hotel.
- The Entrada office building will feature "Green Building" design and attain a Leadership in Energy and Environmental Design (LEED) certified rating.
- Improvements to the streetscape along Centinela Avenue in front of the Radisson hotel and the Entrada project will significantly improve the appearance of the site by relocating the intersection, extending the center median, adding lush landscaping, and integrating the entrance to the Radisson hotel.

Furthermore, the Entrada project is consistent with Culver City's land use policies, including the general plan, zoning code and Redevelopment Plan. The Entrada project is consistent with the current zoning of Commercial Regional Business Park (CRB) and the current General Plan designation of Commercial Regional Center. The Entrada project will also achieve the Redevelopment Agency's objectives of revitalizing the area and promoting economic development. The Entrada project will help achieve policies of Culver City's general plan to promote economic vitality that serves the community, encourage new business opportunities that expand Culver City's economic base, revitalize the physical character and economic well-being of the City's commercial corridors, encourage high trip-generating uses near transportation corridors to maximize transit use, and plan for streetscape improvements along commercial corridors. The Entrada project is also consistent with sound urban planning principles because it complements the existing adjacent hotel use and extends the office uses at Howard Hughes Center along the I-405 corridor.

New development designed to promote economic development is a planning goal for this area of Culver City. Moreover, new office development is consistent with SCAG's Compass Vision plan and regional planning goals, which emphasize locating growth in areas with existing transportation infrastructure. The Entrada project is the appropriate location for a significant office building development because it is adjacent to the I-405, the Marina Freeway and numerous Culver City and Metro bus lines. In addition, its height and mass is consistent with the nearby Howard Hughes Center office development located across Sepulveda Boulevard.

In sum, Entrada is a well-designed project that will generate significant benefits for the City of Culver City. On February 27, 2008, the Culver City Planning Commission certified the Entrada office project's final environmental impact report (EIR), adopted a statement of overriding considerations and a mitigation monitoring program, and approved the Site Plan and Tentative Parcel Map. The Planning Commission also recommended that the City Council approve the height exception in support of the project.

BENEFITS FOR CULVER CITY FROM THE ENTRADA PROJECT

The Entrada project will provide significant benefits for Culver City and the Culver City Redevelopment Agency. These benefits include new sources of recurring revenue for the City and the Redevelopment Agency, high-paying jobs, art contributions, and improvements to infrastructure and public services. A Fiscal Impact Study prepared by CB Richard Ellis describing the fiscal benefits of the Entrada project is attached as Exhibit C.

City Revenue: The Entrada project will produce approximately $825,000 per year in new revenue for Culver City from business license taxes, sales taxes and utility taxes beginning in 2010 when the project is anticipated to reach stabilized occupancy. Over a 15-year period beginning in 2010, the Project is expected to generate a total of $15.5 million in City revenue.

Redevelopment Agency Revenue: The Culver City Redevelopment Agency will receive approximately $1,043,000 per year in additional property tax increment, of which $261,000 will be dedicated to the Agency's affordable housing fund. In total, during the fifteen years beginning in 2010, the Community Redevelopment Agency is expected to receive $13.5 million and an additional $4.5 million to the affordable housing fund. Thus, Culver City and the Redevelopment Agency will receive approximately $33.5 million over the 15-year period.

High-Paying Jobs: The Entrada project is a Class A office tower, which will bring approximately 1,000 new high-paying jobs to Culver City, which will increase spending to local business. Entrada anticipates that it will accommodate financial industry firms, law firms, and other professional services firms seeking to locate in Culver City. The Entrada project will also increase the opportunity for professionals who live in the Westside sub-region to work near their homes.

Aesthetics Improvements: Entrada will feature a landmark building designed by the world-renowned architectural firm, Gensler, and will serve as a visual gateway to Culver City. The streetscape will be improved by new landscaped medians on Centinela Avenue and new lush landscaping along the project frontage, including the Radisson Hotel and Conference Center, and a new signalized intersection.

Art Contribution: Entrada will also spend almost $1 million for on-site art projects to enhance the project's aesthetic environment. The applicant will be using local artists to ensure that the building's art is in harmony with Culver City.

Circulation: The Entrada project will be paying for approximately $2.7 million in mitigation for traffic impacts in Culver City and the City of Los Angeles. The project will include a new entrance to the office, hotel, and conference center that will improve traffic circulation onto and within the project site.

Public Safety: The Entrada project is located less than a mile from the future location of Fire Station 3, ensuring adequate public safety response times. Furthermore, the Entrada project has volunteered to purchase a police motorcycle for the Culver City Police Department and an ambulance for the Culver City Fire Department to further contribute to the health and safety of the community.

VISUAL IMPACTS

Significance Thresholds: In analyzing the visual impacts of the project, the Final EIR utilized the proper thresholds of significance applied by Culver City and the City of Los Angeles.

Culver City used the following thresholds of significance for analyzing impacts on views. The thresholds analyze whether the project would:

1. Substantially obstruct an existing scenic view from a prominent public view location that includes valued aesthetic features such as the ocean, scenic natural lands, historic resources, and cityscapes.

2. Substantially obstruct prominent scenic views from more than a small number of private residences.

3. Conflict with an applicable land use plan, policy, or regulation of an agency with jurisdiction over the project adopted for the purpose of preserving or enhancing public views of important scenic resources.

The Final EIR also properly considered the Culver City policy protecting against view obstruction from trees affecting residences on Culver Crest (Policy 6.A.) and the Los Angeles Westchester-Del Rey Community Plan policy to consider the effect of views from the Westchester bluffs. The Final EIR thoroughly analyzed the impact of the project from ten viewpoints designated by the City. View simulations from Corporate Pointe, Culver Crest and the Westchester bluffs (Kentwood Court, Arizona Avenue, and Riggs Place) are attached as Exhibit D.

The Final EIR correctly concluded that the Entrada project would not have a significant impact on views.

The Final EIR analyzed the effect of the impact from the ten viewpoints by creating visual simulations, which have been verified and approved by KTU+A, the independent expert retained by the City. KTU+A prepared a thorough analysis of the visual simulations, which are included in the Final EIR, and concluded that the visual simulations relied on by the City in the Final EIR were "accurate and the methodologies used and adjusted are industry accepted standards." (KTU+A Report, pg. 22.) In each case, the Final EIR calculated the degree to which the views from those locations would be blocked by the project. KTU+A's analysis is attached as Exhibit E.

The following table summarizes the percentage of the horizon view that is affected by the project from each of the three Westchester bluff locations.

Location	Percentage of View Blockage (Direct View)	Percentage of View Blockage (Panoramic View)
Kentwood Court	28.69%	13.61%
Arizona Avenue	14.19%	8.86%
Riggs Place	14.62%	7.95%

As the attached visual simulations and the degrees of view blockage demonstrate, the Entrada project would block only a small percentage of the views from a limited number of residences on the Westchester bluffs. Based on the limited view blockage that impacts only a small number of private residences, the EIR correctly concluded that the Entrada project will not significantly impact views.

The conclusions of the Final EIR are consistent with case law under the California Environmental Quality Act (CEQA).

The City's conclusion that the impacts of the Entrada project on views are not significant is supported by case law. Aesthetic issues, such as public and private views, are properly studied in an EIR to assess the impacts of a project. However, the City has the discretion to determine whether to classify an impact described in an EIR as significant, depending on the nature of the area affected. In exercising its discretion, the city must necessarily make a policy decision in distinguishing between substantial and insubstantial adverse environmental impacts based, in part, on the setting. (See *Mira Mar Mobile Community v. City of Oceanside* (2004) 119 Cal.App.4th 477.)

In *Mira Mar*, plaintiffs challenged the City of Oceanside's certification of an EIR for a condominium project, claiming the condominium project would "completely block the ocean view, the sun and the ocean breezes enjoyed by the Mira Mar residents." (*Id.* at 492.) After reviewing the project from four public vantage points, the Final SEIR concluded that the project complied with the City's policy "in that [it] has been designed and sited to protect public views." Because the Mira Mar mobile homes were not a "public vantage point," the Final SEIR concluded that any impact on plaintiffs' private views was not significant, that the project conformed to the policies regarding impact on public views and that it would have no significant adverse impact on visual quality. As the court stated:

> "Moreover, as the City indicated in written response to public comments, neither state nor local law protects private views from private lands and the rights of one private landowner cannot prevail over the rights of another private landowner except in accordance with uniformly applied standards and policies as expressed in the City general plan, redevelopment plan, local coastal program and zoning ordinances. Because the City applied

> the policies contained in the local coastal program, we conclude it did not abuse its discretion by concluding that the project would have no significant effects on aesthetics, including views." (*Id.* at 494.)

The Final EIR thoroughly analyzed all applicable regulations, including the City of Los Angeles' applicable regulations. Just like the City of Oceanside, Culver City correctly concluded the aesthetic impacts of the Entrada project were not significant.

TRAFFIC IMPACTS

The EIR thoroughly analyzed the effect of the Entrada project on traffic conditions in a wide area around the project site. The EIR concluded that the Entrada project would not have a significant effect on the intersections studied after mitigation measures were incorporated, except for one intersection.

Regional Context: The traffic impacts from the Entrada project should be viewed in the context of regional traffic patterns. Together, the City of Los Angeles and the County of Los Angeles have approved a number of significant projects in the area that contribute to traffic congestion, including Howard Hughes Center, Playa Vista, LAX, and numerous Marina projects. Together, these projects will or have collectively created more than 100,000 daily trips. In contrast, Entrada is estimated to create only 3,442 daily trips.

Traffic Study Memorandum of Understanding (MOU): The transportation agencies of Culver City, the City of Los Angeles, and the County of Los Angeles reviewed and approved the scope of the traffic study for the Entrada project, ultimately adding many intersections to the traffic study in order to analyze the effect on neighboring jurisdictions and communities.

Traffic Study and Traffic Impact: Pursuant to the MOU, the Entrada project studied 33 intersections in the vicinity of the project. Of the 33 intersections studied, there were 12 intersections that were significantly impacted by the Entrada project before mitigation measures. For these 12 intersections, the Entrada project is able to incorporate mitigation measures (including physical improvements, ATCS upgrades and a Transportation Demand Management plan, totaling $2.7 million in traffic mitigation measures) and all but one intersection (Sepulveda and Howard Hughes Parkway in the a.m. peak hours) will be mitigated to less than significance. The intersection of Sepulveda and Howard Hughes Parkway cannot be feasibly mitigated further because of right-of-way constraints limiting construction.

Maps showing the locations of the impacted intersections before and after mitigation are attached as Exhibit F.

Transportation Demand Management (TDM) Plan: The Entrada project will include a sophisticated Transportation Demand Management (TDM) plan to reduce the number of trips generated by the project by at least ten percent for both a.m. and p.m. peak-hour trips. The TDM program requires the project to pay significant annual penalties if the ten percent trip reduction is not achieved after annual monitoring. Specifically, the applicant will be required to pay approximately $900 per excess trip, up to $300,000 per year and up to a maximum of $1,000,000.

To determine whether project trips have been reduced to the required levels, the Entrada project will, beginning at 85 percent occupancy of the building, conduct annual measurements of trip generation. If an annual report documents that the average a.m. or p.m. peak-hour trips exceed the respective trip reduction level, then the Entrada project will have one year to achieve compliance. If Entrada is still unable to meet its trip reduction goals the following year, the City and Entrada's representatives will discuss additional measures and the City will be able to require additional measures. Only if Entrada can show compliance with the TDM's goals and objectives for three consecutive years will Entrada be deemed in compliance with the TDM.

Public Transit: The Entrada project will not adversely impact public transportation as the site will be serviced by multiple bus lines. There is sufficient existing capacity to meet the additional demand. The Culver City Transportation Department concluded that the Entrada project would not create capacity constraints on Line 6.

Construction Impacts: The Entrada project will be constructed in compliance with a Construction Traffic Management Plan, which will be designed to reduce traffic impacts during the construction phase and ensure that street parking is not used for staging construction vehicles or for construction worker parking. The Entrada project has already obtained letters of intent from a number of nearby property owners indicating a willingness to allow the use of their property for construction parking and staging. The plan will be submitted to and reviewed by the City's Public Works Department and the City Engineer for review prior to the issuance of building permits. With mitigation measures in effect, traffic impacts during the construction phase will be minimized.

STATEMENT OF OVERRIDING CONSIDERATIONS

Because the Entrada project will have certain significant and unavoidable impacts, it was necessary for the Planning Commission to make findings of overriding considerations to establish that the benefits of the Entrada project outweigh the environmental impacts.

The Planning Commission correctly concluded that the Entrada project would have only few and limited significant and unavoidable impacts.

The Final EIR concluded that the Entrada project would result in the following significant and unavoidable impacts: (i) air quality from nitrous oxide (NO_x) emissions; (2) archaeological resources, but only when all of the related projects are cumulatively considered; (3) noise during the construction period; and (4) traffic at one intersection in the a.m. peak hours. These impacts are considered briefly below.

1. Air Quality: Regional construction emissions resulting from the construction of the Entrada project would result in a significant temporary and short-term impact due to NO_x only during construction activities. In addition, the Entrada project would exceed the regional threshold and result in a significant operational impact due to NO_x. Although the Entrada project will undertake certain mitigation measures to reduce emissions, the NO_x emissions cannot be reduced to levels below significance.

2. Archaeological Resources: The Entrada project will not significantly impact archaeological resources because it will undertake mitigation measures to preserve any archaeological resources discovered during construction. However, out of an abundance of caution, the EIR found that Entrada may, in combination with related projects analyzed in the EIR, result in a cumulatively significant impact. Since neither Culver City nor the Entrada project can control the related projects, the EIR concluded that a significant impact may occur on a cumulative basis.

3. Noise: The operation of the Entrada project will not result in significant noise impacts. However, potentially significant noise impacts may be caused during temporary construction activities. In addition, the EIR concluded that other nearby projects, if built, could also cause significant and unavoidable noise impacts. Although the Entrada project will undertake mitigation measures to reduce the noise impacts, it could not avoid the construction impacts.

4. Traffic: The intersection of Howard Hughes Parkway and Sepulveda Boulevard would be significantly impacted during the a.m. peak hours, and there are no mitigation measures available. In addition, construction traffic would result in a significant short-term traffic impact that, notwithstanding available mitigation measures, cannot be mitigated.

Culver City's adoption of a Statement of Overriding Considerations is proper under CEQA.

Pursuant to CEQA, Culver City may approve a project even if there are unmitigated environmental impacts. CEQA grants Culver City the authority to approve the Entrada project notwithstanding its significant, unavoidable environmental impacts if the benefits of the project outweigh the environmental impacts. (CEQA §§ 21002, 21002.1(c); Guidelines § 15043(b).)

CEQA recognizes that cities have broad discretion to determine whether the benefits of a project outweigh its environmental impacts. (2 Kostka & Zischke, *Practice Under the Cal. Environmental Quality Act* (Cont. Ed. Bar 1997) § 17.23, pp. 830-831; CEQA § 21081(b); Guidelines § 15093(a).) For example, the court in *Towards Responsibility in Planning v. City Council* (1988) 200 Cal.App.3d 671 confirmed the city's discretion in concluding that new jobs, stronger tax base and implementation of the city's economic development goals outweighed the project's environmental impacts.

The benefits of the Entrada project to Culver City clearly outweigh the potential significant and unavoidable impacts, and the Planning Commission therefore properly adopted the Statement of Overriding Considerations.

As discussed above, the project's environmental impacts are relatively few and most are limited to temporary construction impacts.

However, Culver City's benefits from the Entrada project clearly outweigh the project's significant, unavoidable environmental impacts. The Entrada project is a well-designed office tower that will be a LEED-certified landmark building. The project will beautify this portion of Centinela Avenue by creating an integrated entry and courtyard with the Radisson Hotel and adding landscaping along the frontage and the medians. The Entrada project will redevelop an underutilized parking lot with existing public infrastructure that is near other services and complementary land uses (e.g., retail, restaurants and entertainment uses). The Entrada project makes better use of existing facilities, and, in doing so, supports the sustainability of the community. The location of the Entrada project, near other office, retail, restaurant and entertainment uses, near a major transportation corridor and near multiple existing and planned public transportation routes, is the epitome of smart growth – placing jobs near residential uses, public transportation and existing retail uses to reduce the number of vehicle miles traveled to and from the project.

The Entrada project will attract high-quality employers and more than 1,000 high-paying jobs to Culver City. The project will generate approximately $1,900,000 in annual revenues for the City and the Redevelopment Agency.

The Planning Commission correctly determined that the Entrada project's benefits outweigh the limited environmental impacts.

ALTERNATIVES ANALYSIS

The Final EIR contains a proper discussion and analysis of various project alternatives.

The Final EIR analyzed the following five alternatives: (i) the no-project alternative; (ii) 56-foot high, 100,000 square foot low-rise office (the "Low Rise Alternative"); (iii) 112-foot high, 210,000 square foot mid-rise office; (iv) low-rise multi-family apartment building containing 300 two-bedroom units; and (v) 114-foot high, 365-room hotel with an approximate floor area of 78,000 square feet (similar in size to the existing Radisson Hotel).

CEQA requires an EIR to describe a reasonable range of alternatives to the proposed project, or to its location, that would feasibly attain most of the project's basic objectives while reducing or avoiding any of its significant impacts. An EIR is not required to discuss every alternative to the project but only reasonable alternatives.

The Final EIR correctly concluded that the alternatives were not feasible because they did not achieve Culver City's objectives for the project.

CEQA provides that public agencies should not approve a project as proposed if there are feasible alternatives available which would substantially lessen the significant environmental effects of the project.

Culver City may reject project alternatives if it finds them to be "infeasible" because the alternatives do not satisfy the City's objectives to the same extent as the Entrada project. (CEQA § 21081(a)(3); Guidelines § 15091(c)(3).) Numerous cases support the Final EIR's determination that the alternatives do not achieve the City objectives.[1] CEQA does not require that the Final EIR establish that the alternatives are not financially or economically feasible.

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[1] For example, in *Foundation for San Francisco's Architectural Heritage v. City & County of San Francisco* (1980) 106 Cal.App.3d 893, the city rejected the alternative of rehabilitating a historic building in favor of new construction. The court found that evidence of increased construction costs, decreased tax revenues to the city and reduced employment opportunities supported the city's decision that the rehabilitation alternative was infeasible. In *Association of Irritated Residents v. County of Madera* (2003) 107 Cal.App.4th 1383, the court held that evidence that reduced-size project would not fully meet project objective to enhance profits, and might not be economically viable, was sufficient to support infeasibility finding.

The Alternatives analyzed in the Final EIR do not satisfy the City's objectives.

The City identified the following project objectives in the Final EIR. These objectives are listed on pages II-5 and II-6 of Volume I of the Final EIR:

The opponents of the Entrada project incorrectly contend that the Entrada project should be downsized to 56 feet because the Low Rise Alternative has not shown to be infeasible. As noted above, the Final EIR analyzed a "Low-Rise Office Alternative," which would consist of a 56-foot tall office building of approximately 100,000 square feet.

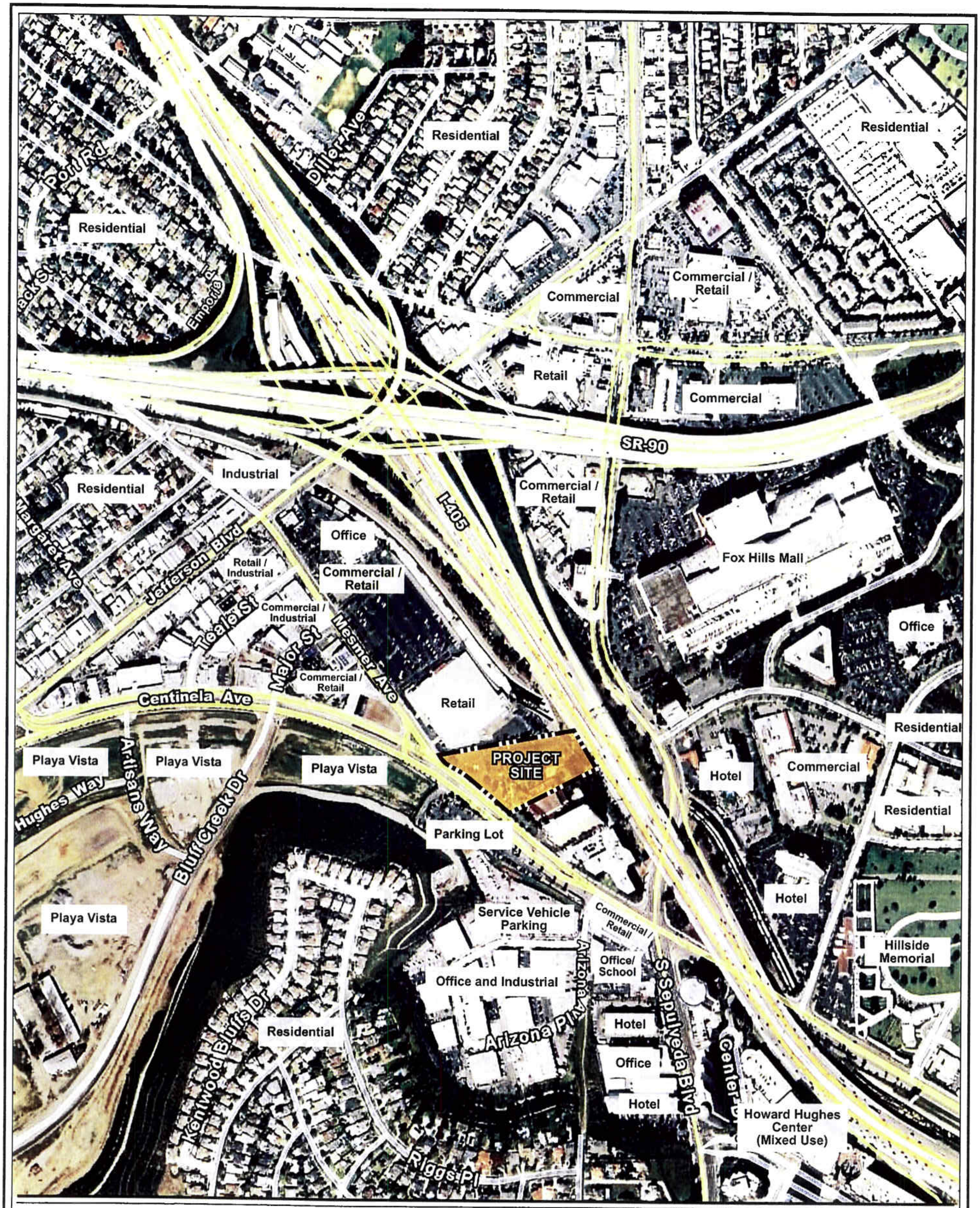
The Low-Rise Office Alternative would avoid the Entrada project's significant unavoidable impacts in some but not all respects. The Low-Rise Alternative would not cause a significant traffic impact at the Sepulveda and Howard Hughes intersection. However, the Low-Rise Office Alternative would result in the same significant construction noise and construction air quality impacts as the Entrada project, although construction noise levels would occur over a shorter time period. The Low-Rise Office Alternative would have the same level of impact as the Entrada project on archaeological resources.

Even though the Low-Rise Office Alternative would reduce somewhat the Entrada project's environmental impacts, it would not achieve several objectives identified above to the same extent as the Entrada project. Specifically, the Low-Rise Office Alternative would not implement the City's redevelopment goal to bring the designated site into its highest and best use, or maximize the site's economic potential. Due to reduced building height, the Low-Rise Office Alternative would not create an architecturally distinctive, landmark building that would complement the aesthetic character of new and existing development within the area, or fully utilize its location at the intersection of the 405 freeway and major thoroughfares to create a distinctive gateway development at the City's edge.

The Low-Rise Office Alternative would not meet the City's economic objectives to maximize the value of the site through the replacement of a surface parking lot with an approximately 342,000-square-foot office building. The Low-Rise Office Alternative would not provide incremental growth and additional tax revenue to the City and the Redevelopment Agency or produce economic growth to the same extent as under the Entrada project. Based on its substantially reduced leaseable area, the Low-Rise Office Alternative would be expected to provide substantially less (by more than two-thirds) additional tax revenue to the City and Redevelopment Agency than the Entrada project. Job opportunities created by the Low-Rise Office Alternative would not contribute to the economy to the same extent as the Entrada project.

Accordingly, the Final EIR correctly concluded that the project alternatives are infeasible because they do not achieve the City's objectives to the same extent as the Entrada project.

EXHIBIT A



PCR

N

0 0.25 Miles

Scale in approximate miles

Source: PCR Services Corporation, 2007; Google Earth, 2007

Figure II-2
Aerial Photograph with Land Uses

EXHIBIT B

405 CORRIDOR

Centinela Development Partners

Gensler

PEDESTRIAN FRIENDLY, GREEN FRONT ENTRY

Centinela Development Partners

Gensler

VIEW SOUTHEAST

Centinela Development Partners

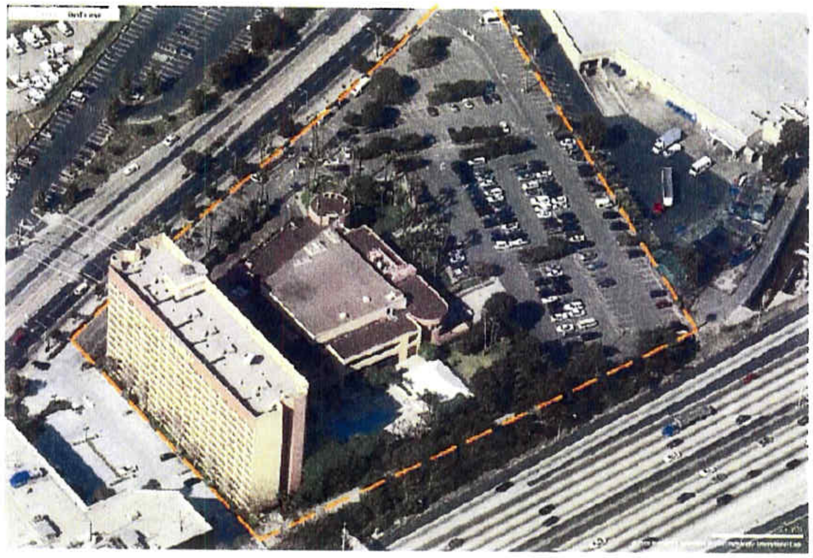
Gensler

VIEW NORTHWEST

Centinela Development Partners

Gensler

EXHIBIT C



ENTRADA OFFICE BLDG.
Culver City, California

FISCAL & ECONOMIC IMPACT ANALYSIS

Prepared for:

CENTINELA DEVELOPMENT PARTNERS

SEPTEMBER, 2007

ADK&A
Allan D. Kotin & Associates

CBRE
CB RICHARD ELLIS

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September, 2007

Mr. Brandon Taylor
Centinela Development Partners
c/o The Carlyle Group
11100 Santa Monica Blvd. Suite 400
Los Angeles, CA 90025

Re: Entrada - Fiscal and Economic Benefit Analysis

Dear Mr. Taylor:

Allan D. Kotin & Associates and CBRE Consulting are pleased to submit this report on the fiscal and economic benefit analysis of the proposed Entrada development of a 342,000 square foot Class A office building adjacent to the Radisson Hotel in the City of Culver City. This report illustrates the fiscal and economic benefits of the development.

The attached report indicates that the new office building, at stabilized occupancy in 2010, will bring an approximate $825,000 annual increase in fiscal revenue to the City, $782,000 to the Redevelopment Agency general fund and $261,000 to the Agency's affordable housing trust fund. In addition the Project will add 1,070 new jobs to the City's employment base.

Over a 15-year period 2010 through 2024, during which the Agency receives unrestricted revenue, the Project is expected to generate a total of $15.5 million to the City, $13.5 million to the Agency and $4.5 million to the Affordable Housing Fund.

If you have any questions please do not hesitate to call us.

Sincerely,

Thomas Jirovsky
Senior Managing Director

Allan D. Kotin
Principal

TABLE OF CONTENTS

I. EXECUTIVE SUMMARY 1

PROJECTED BENEFITS 1

II. PROJECT DESCRIPTION 2

EMPLOYMENT 2

SITE PLAN 3

III. FISCAL ANALYSIS 4

CITY AND AGENCY SUMMARY 4

Summary of Fiscal Benefits 4

Property Tax 5

Sales Tax 6

Business License Tax 6

Utility User Tax 6

IV. ASSUMPTIONS AND GENERAL LIMITING CONDITIONS 7

V. EXHIBITS 8

I. EXECUTIVE SUMMARY

Centinela Development Partners proposes to develop a 342,000 square foot office building on the Radisson Hotel surface parking lot site on Centinela Blvd. in Culver City. They have retained CBRE Consulting and Allan D. Kotin & Associates ("Consultants") to do an analysis of the economic and fiscal benefits to Culver City and its Redevelopment Agency from the new office building, its employees and visitors.

This report estimates total property taxes, utility taxes, business taxes from the office building, along with induced hotel taxes and sales taxes from employee and visitor spending in the adjacent hotel, and estimated retail spending outside the project, but in Culver City.

PROJECTED BENEFITS

The proposed development of the office building will increase the taxable assessed value by $123 million, increase demand for local hotel rooms and generate new retail spending from approximately 1,070 new office workers and their visitors. The Project will increase City annual revenue by approximately $825,000 and Agency revenue by $1,043,000, of which $261,000 will be dedicated to affordable housing.

Over a 15-year period 2010 through 2024, during which the Agency will receive unrestricted tax increment, the Agency will realize $13.5 million in incremental tax revenue, while the City is projected to receive $15.5 million, for a combined $29.0 million. The annual and cumulative revenue benefits for the redevelopment scenario is summarized below and shown in Exhibit A

Incremental
2010 Fiscal Summary

New Jobs	1,070
Agency Property Taxes	$782,000
Utility Taxes	196,000
Business License	547,000
Hotel & Sales Taxes	82,000
Subtotal City Revenues	$825,000
Total Annual Taxes	$1,607,000
15-Yr Total	$29,000,000
15-Yr NPV	17,700,000

II. PROJECT DESCRIPTION

The proposed Project is designed as a 13-story 342,000 square foot Class A building, with 9 levels of structured parking as summarized below:

Gross Square Feet:	342,000
Rentable Square Feet:	308,000
Stabilized Occupancy:	293,000
Parking Garage:	1,255 spaces

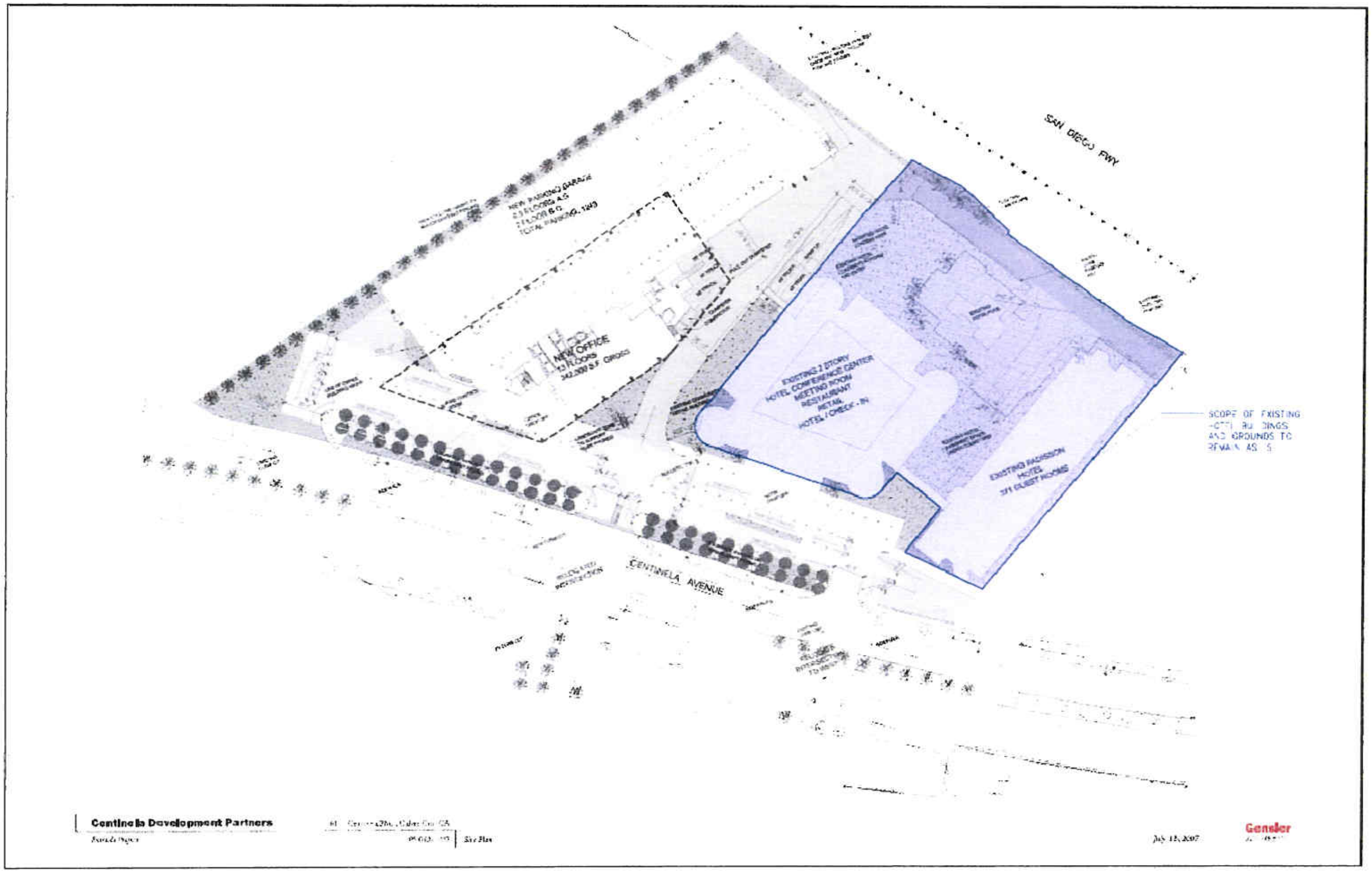
The office building will be located on the northeast corner of the site, with the parking structure located adjacent to the office building, as shown on the site plan on the following page.

EMPLOYMENT

The average number of employees per square foot of office space varies significantly depending on the tenant type. Back office space for insurance or banking can average 5-6 employees per 1,000 square feet. Professional offices typically average 3-4 employees per 1,000 square feet.

At this early stage, it is impossible to predict who the likely tenants will be, but given the type of office space and expected rent rates of $4.00 psf full service gross, the majority of tenants are likely to be professional offices. For this analysis, the Consultants estimate 70% of the occupied space will be professional office, averaging approximately 3.5 employees per 1,000 square feet and 30% general office averaging 4.0 employees per 1,000 square feet, for a total employment of approximately 1,070 persons.

SITE PLAN



SAN DIEGO FWY
NEW OFFICE
CENTINELA AVENUE
EXISTING RADISSON HOTEL
Centinela Development Partners
Gensler

III. FISCAL ANALYSIS

This analysis focuses on the incremental recurring public revenues to the City's General Fund and the Redevelopment Agency. Development impact fees generated by the proposed Project have not been estimated.

CITY AND AGENCY SUMMARY

At full build-out, the recurring annual revenues to the City are projected at $825,000, while the Redevelopment Agency would receive $261,000 for the affordable housing fund and $782,000 in annual discretionary funds.

Summary of Fiscal Benefits

CBRE Consulting projected the incremental revenues related to the development plan over a 15-year horizon with the following key assumptions:

- 3% inflationary increase in general revenues after stabilization
- 2% maximum increase in property tax assessed value per Proposition 13 limit
- 6.5% net present value discount rate

For the initial 15-year period during which the Redevelopment Agency is expected to receive unrestricted funds from tax increment, the Project is expected to generate $13.5 million in incremental revenue to the Agency, excluding affordable housing funds, while the City would receive approximately $15.5 million. (See Exhibit A for detailed calculations).

Incremental Hotel Demand

Corporate and professional office tenants generate demand for local hotel rooms. Broad regional averages indicate an average of one hotel room for every 5,000 square feet of non-governmental office space. Based on discussions with hotel experts, approximately 65-70% of hotel demand comes from tourists, conventions and conferences, indicating approximately 1/3rd of total demand comes from office visitors. Applying that same ratio to the Culver City project, indicates incremental demand from a new office building would support one new room for every 15,000 square feet of new occupied office space.

At average hotel occupancy of 75%, the Project would generate local demand for approximately 5,400 annual hotel room nights, of which 50% is estimated to be captured by Culver City hotels.

Indirect Retail Spending

Office workers incur a significant percentage of their retail spending at work on the way home from work. A 2004 survey by ICSC of nationwide office workers found that the average suburban worker spends over $6,900 per year on restaurant and retail goods near the place of work, while commuting or at lunch. Given the nearby Fox Hills Mall and surrounding retail establishments, Consultants believe 50% of the spending potential will occur in Culver City.

Hotel visitors also incur significant retail expenditures, primarily for food and beverage. According to the operating statements from the Radisson Hotel, food and beverage spending averages 35% of the room revenue. The combined retail spending of employees and incremental hotel visitors is summarized in the table below.

Retail Sales Potential

Employees / Visitors	960	5,400 overnight	
Per Capita Spending	$6,900/yr	$43/day	
Local Capture %	50%	50%	
Net Retail Sales – 2006$	$3,690,000	$117,000	$3,807,000
Inflated to 2009			$4,200,000

Source: CBRE Consulting

Property Tax

The total annual property tax increment is equal to 1.06% of the increase in assessed value resulting from the new development on the site. For purposes of this analysis, it is assumed that the value will be conservatively estimated based on the cost approach, rather than capitalized income approach. That is, the construction costs, excluding land value (total development costs) will be the foundation for calculating real property taxes. In this instance, the $123 million development costs for the valuation estimate were provided by Centinela Development Partners.

The completed Project would infuse needed revenues into the Project Area. At stabilization, the Project will contribute $1.2 million in annual tax increment, of which $261,000 goes to affordable housing and $782,000 to the Redevelopment Agency (see Exhibit B) through FY 2023-24.

Since the project will open after FY 2003-04, not all of the increment will accrue to the Agency. Under the provisions of AB1290, the 1994 redevelopment reform law, 25% of the tax increment added after FY 2003-04, exclusive of the 20% housing set-aside is passed through to the affected agencies (e.g. City, County, schools etc.)

In 2024-25, the Agency will be restricted in receiving tax increment funds. However, the City, County and local school districts will begin to receive a small percentage of the +$1 million in annual tax revenues, according to their original distribution formulae.

Hotel and Sales Tax

Sales tax revenue accrues to the City's General Fund based on retail sales. The City General Fund receives 1.0 percent of taxable sales. Based on the retail sales projection in the previous page, the City is estimated to receive annual sales tax revenue of $42,000.

Hotel taxes are currently 11% of room revenue. Based on an average room rate of $125 per night, the increased demand for 2,700 room nights would generate $41,000 in annual TOT revenue for the City (see Exhibit C for detailed calculations of both hotel and retail taxes).

Business License Tax

The City of Culver City places a tax on businesses based on gross receipts and real estate rentals. The Business License tax is levied at a rate of $1.00 per $1,000 in gross receipts for general office and commercial rental income. Professional office use is taxed at a rate of $3.00 per $1,000 in gross receipts.

To calculate the City's revenue the appropriate tax rate was applied to estimated gross receipts from all intended uses at the Project site. Professional office revenues were estimated at $200,000 per employee, while general office revenues were $150,000 per employee in 2007 dollars.

Overall, the Project's stabilized tenant base would be expected to generate approximately $547,000 in annual business license fees in 2010 as shown in Exhibit D.

Utility User Tax

The City places a tax on utility consumption based on gross charges for telephone, water, electricity, and gas charges. Currently the City collects 11 percent on electric and water usage by commercial entities, as well as gas, telephone, and cellular utility expenditures.

Estimates for the utility expenditures subject to utility tax were based on expenditure patterns in comparable large office projects from BOMA, industry standards, and discussions with the Department of Water and Power. The derivation of the total utility expenditures and taxes received by the City are presented in detail in Exhibit E.

At stabilized occupancy in 2010, the proposed Project is anticipated to generate an estimated $196,000 in annual utility user tax revenue to the City.

IV. ASSUMPTIONS AND GENERAL LIMITING CONDITIONS

Consultants have made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including review of City documents, and other third party data deemed to be reliable. Although we believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information by third parties. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Further, no guarantee is made as to the possible effect on development of present or future federal, state or local legislation, including any regarding environmental or ecological matters.

The accompanying projections and analyses are based on estimates and assumptions developed in connection with the study. In turn, these assumptions, and their relation to the projections, were developed using currently available economic data and other relevant information. It is the nature of forecasting, however, that some assumptions may not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the projection period will likely vary from the projections, and some of the variations may be material to the conclusions of the analysis.

This report may not be used for any purpose other than that for which it is prepared without prior written consent and approval of Consultants.

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CBRE
CB RICHARD ELLIS

V. EXHIBITS

Exhibit A – 15 Year Summary Projection

Exhibit B – Property Tax Illustration

Exhibit C – Induced Hotel and Retail Spending

Exhibit D – Business License Tax Illustration

Exhibit E – Utility Tax Illustration

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CBRE
CB RICHARD ELLIS

EXHIBIT A
ENTRADA OFFICE BLDG - CULVER CITY
ECONOMIC BENEFIT SUMMARY[1]

FYE	Agency Property Taxes a	Low-Mod Property Taxes 2 a2	Construction Sales Taxes b	Retail Sales Taxes c	Business Taxes d	Hotel Taxes e	Utility Taxes f	City Revenue (b+ c+ d+ e+ f)	City/ Agency Revenue (a+ b+ c+ d+ e+ f)
2008								$0	$0
2009			$150,000					$150,000	$150,000
2010	$782,000	$261,000	$0	$42,000	$547,000	$40,000	$196,000	825,000	1,607,000
2011	797,640	266,220		42,840	563,410	41,200	201,880	849,330	1,646,970
2012	813,593	271,544		43,911	580,312	42,436	207,936	874,596	1,688,189
2013	829,865	276,975		45,009	597,722	43,709	214,174	900,614	1,730,479
2014	846,462	282,515		46,134	615,653	45,020	220,600	927,407	1,773,869
2015	863,391	288,165		47,287	634,123	46,371	227,218	954,999	1,818,390
2016	880,659	293,928		48,470	653,147	47,762	234,034	983,412	1,864,071
2017	898,272	299,807		49,681	672,741	49,195	241,055	1,012,673	1,910,945
2018	916,238	305,803		50,923	692,923	50,671	248,287	1,042,804	1,959,042
2019	934,562	311,919		52,196	713,711	52,191	255,736	1,073,834	2,008,396
2020	953,254	318,158		53,501	735,122	53,757	263,408	1,105,788	2,059,041
2021	972,319	324,521		54,839	757,176	55,369	271,310	1,138,694	2,111,013
2022	991,765	331,011		56,210	779,891	57,030	279,449	1,172,581	2,164,346
2023	1,011,600	337,631		57,615	803,288	58,741	287,833	1,207,477	2,219,077
2024	1,031,832	344,384		59,055	827,387	60,504	296,468	1,243,413	2,275,246
15-year	**$13,523,452**	**$4,513,582**	**$150,000**	**$749,672**	**$10,173,606**	**$743,957**	**$3,645,387**	**$15,462,622**	**$28,986,074**
NPV@6.5%	$8,283,825	$2,764,806	$140,845	$456,661	$6,161,110	$450,538	$2,207,637	$9,425,947	$17,709,772

1\ A 2% average annual growth rate is assumed for assessed value and 3% for all other revenue sources
2\ Agency receives 60% of gross tax increment and Low-Mod Housing Fund receives 20% of the gross tax increment through FY 2023-24

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EXHIBIT B
ENTRADA OFFICE PROJECT
ANNUAL PROPERTY TAX ANALYSIS

Development Costs			
Office Building & Garage	$138,000,000		
Total	**$138,000,000**		
Less: Current Assessed Value	**$15,000,000**		
Net Incremental Taxable Value	**$123,000,000**		
Property Tax		**Percent**	**Amount**
General Levy		1.060%	$1,304,000
Agency /2			
Affordable Housing Set-Aside		20.0%	$261,000
Pass-Through to Third Parties /3		20.0%	$261,000
Discetionary to Agency		60.0%	$782,000
Total Taxes		**100.0%**	**$1,304,000**

Note:

1. Based on 2005 Property Tax Bill.
2. Through FY 2023-24 Only - then reduces to cover Agency debt service only
3. Under provisions of AB1290, as applied to this Component 1 of the Merged Area, the Agency must allocate 25% of the growth in tax increment , net of housing set-aside, to the affected agencies.

EXHIBIT C
ENTRADA OFFICE PROJECT
PROJECTED INDUCED HOTEL AND RETAIL SPENDING

			Gross Rev.	City Taxes
Hotel tax rate	11.0%			
Hotel Demand				
Net Office Bldg	293,000	SF		
Room Demand	1/15,000 sf			
Capture Rate	50.0%			
Avg Occ. /Room Rate	75.0%	$125	$334,203	
	Total Taxes 2007$ @ 11.0% City Tax Rate			**$36,762**
New Hotel Taxes 2010 Dollars				**$40,000**
Retail Demand				
Office Workers	1,070			
Spending Per Worker /1	$6,900			
Capture Rate	50.0%		$3,689,775	
Hotel Guest Spending	35%	of room rate	$116,971	
	Total Retail Sales		$3,806,746	
	Total Taxes 2007$ @ 1.0% City Share			**$38,067**
New Sales Taxes 2010 Dollars				**$42,000**

Notes:
/1 2004 ICSC Survey of Office Worker Spending

EXHIBIT D
ENTRADA OFFICE PROJECT
ESTIMATED BUSINESS LICENSE TAX REVENUE

Business License Tax	
General Office	
Fee per $1,000 Gross Receipts	$1.00
Professional Office	
Fee per $1,000 Gross Receipts	$3.00

Use	Size (GSF)	Employees	Gross Receipts / 1	Business Taxes
Professional Office \2	205,000	718	$143,500,000	$430,500
General Office \3	88,000	352	$52,800,000	52,800
Total	293,000	1,070	$143,500,000	483,300
Rental Receipts @ $4.00/sf	293,000		$14,064,000	14,064
TOTAL 2007$	**293,000 SF**		**$157,564,000**	**$497,364**
2010 Dollars				**$547,000**

1\ Gross Receipts are estimated at $150,000 to $200,000 per employee
2\ Professional Office is estimated at 3.5 employees per 1,000 SF
3\ General Office use is estimated at 4.0 employees per 1,000 SF

EXHIBIT E
ENTRADA OFFICE PROJECT
ESTIMATED UTILITY TAX REVENUE

	Office	Parking	Total
Gross Square Feet	342,000	402,500	744,500
Employees	1,070		1069.5
Electricity, Gas & Water Expenditures			
Per Square Foot /1	$2.25	$0.50	
Total	$769,500	$201,250	$970,750
Tax			
Rate	11.0%	11.0%	
Total	**$84,645**	**$22,138**	**$106,783**
Telephone Costs			
Per Employee	$600		
Total	$641,700	$0	$641,700
Tax			
Rate	11.0%	11.0%	
Total	**$70,587**	**$0**	**$70,587**
Combined Tax Revenue			
Electricity, Gas & Water	$84,645	$22,138	$106,783
Telephone	$70,587	$0	$70,587
Total 2007$	$155,232	$22,138	$177,370
2010 Dollars			**$196,000**

Notes:
\1 BOMA office experience 100,000 to 300,000 SF office bldgs

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February 12, 2008

Mr. Brandon Taylor
Centinela Development Partners
c/o The Carlyle Group
11100 Santa Monica Blvd. Suite 400
Los Angeles, CA 90025

Re: Entrada - Fiscal and Economic Benefit –EIR Responses

Dear Mr. Taylor:

Allan D. Kotin & Associates and CBRE Consulting have reviewed the questions submitted in response to the draft EIR on the fiscal and economic benefit analysis of the proposed Entrada development of a 342,000 square foot Class A office building adjacent to the Radisson Hotel in the City of Culver City. As you know, Allan D. Kotin & Associates and CBRE Consulting performed the Fiscal and Economic Impact Analysis dated September, 2007.

1. Please discuss in detail the basis used in stating that the project as proposed would add $825,000 annual income to the city General Fund (i.e. what assumption were used).

2. Need the calculations used to determine what the annual income to the city if the Low-Rise alternative was selected. The low-rise office alternative would be an approximately 100,000 square foot, 56-foot tall building.

3. What average occupancy rate is assumed in estimating the annual revenue amounts, and how long after the project is finished will significant revenue increases begin?

4. On an average over many commercial projects, there must be a rule-of-thumb as to the probability of having any specific occupancy rate. For example, the probability of 100% occupancy is 0%, while the probability of 50% occupancy will be high, perhaps even 100%. On the average, what is the rough probability of a project like this reaching 85% occupancy? Is it rare for a project of this size to achieve 85% occupancy, or is it quite common?

Our responses to the questions are listed below:

1. The basis for the estimated $825,000 in annual general fund revenue comes from utility taxes, business license taxes and indirect retail sales and hotel TOT taxes from employees and

visitors to the office tenants. (The $782,000 in property tax revenue to the Agency is from the Agency's unrestricted share of property taxes based on construction costs). See Pages 4-6 of the Fiscal & Economic Impact Analysis that we prepared in September 2007 for the various tax rates and economic assumptions.

2. The calculations to determine what the City's annual revenue would be from a smaller 100,000 square foot project are shown in the Fiscal & Economic Impact Report – Exhibits C, D & E (page 11-13). In summary, the number of professional and back office employees and the resultant spending at local retailers and hotels, would be proportionally smaller generating approximately $240,000 in utility, business and sales taxes to the City and $228,000 in property tax increment to the Redevelopment Agency (i.e. a 70% decline).

3. The average stabilized occupancy rate was assumed to be 95 percent. The City will start to receive to receive significant revenues from the project about 12-24 months after the project is completed, which is when it is assumed the project will reach its stabilized occupancy. In addition, it is possible that the Redevelopment Agency would receive significant increases in the tax revenues if the project experienced substantial increases in rental rates, or there were significant decreases in capitalization rates and changes of ownership occurred.

4. It would be highly probable that such an office project would achieve at least 85 percent occupancy. The typical occupancy for a high quality office project of this size would range from 90 percent to 95 percent.

If you have any questions please do not hesitate to call us.

Sincerely,

Thomas Jirovsky
Senior Managing Director

Allan D. Kotin
Principal

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02/11/08