

Controller Laura Chick
200 N. Main Street, Room 200
Los Angeles, CA 90012

June 10, 2005

Dear Controller Chick,

The Tract 7260 Homeowners Association had previously written you regarding mitigation funds from various Century City projects. We, along with our neighboring associations, now write to you to renew our request on the previously mentioned mitigation funds and also to ask that the controller's office immediately involve itself in other areas of concern to the undersigned homeowners associations.

The Associations

The Tract 7260 Homeowners Association runs from Pico to Santa Monica and from Beverly Glen to Century City. The group has been exceptionally active in land use issues and helped secure the mitigation funds that are now in question. Tract 7260 also currently has an active lawsuit against the city for improperly maintaining the list of available development rights in Century City.

The Westwood South of Santa Monica Association (WWS) runs from Pico to Santa Monica and from Beverly Glen to Sepulveda. WWS has also been very active in development rights issues and has filed suit over past development projects. The group's president also sits on the Westside Neighborhood Council and the CD5 Regional Traffic Committee.

The Century Westwood Watch (CWW) group is runs from Santa Monica to Wilshire and from the country club to Beverly Glen. This group has formed to address issues unique to their area including cut-through traffic from Century City via Santa Monica Boulevard.

The Westwood Gardens Civic Association (WGCA) covers the area from Pico to National Blvds. and from Overland Ave. to Midvale Ave., anchored by the I-10/Overland interchange at the southeast corner. The group was a founding member of the WNC and involved in various development projects in the area.

Increasingly over the past year the above mentioned groups have been cooperating to accomplish both regional improvements and also improvements important to each group. The groups did this as city agencies and developers often attempted to use a "divide and conquer" approach to pushing through projects while minimizing mitigations.

Recently, as a result of this cooperation and numerous group meetings, the associations have become exceptionally concerned about mitigation funds from the Santa Monica project and other Century City projects.

In each case, transparency has been lacking as has accountability. They are:

1. \$400,000 Santa Monica Boulevard (SMB) Project Mitigation Fund

The SMB project has a \$400,000 mitigation fund to be used to mitigate impacts of the project while the project is being constructed. We have been told that a large portion of the mitigation fund has been redirected to the contractor for cost overruns and NOT mitigations. The language that controls these funds is:

2. \$700,000 Mitigation Fund

The SMB project established a \$700,000 mitigation fund to provide for unforeseeable impacts AFTER the project was complete. We have been told that \$5,000 of this money has already been spent and that approximately \$200,000 had already been allocated. Of course, spending or allocating money now for future unforeseen impacts is unsupportable.

3. "Formliners"

According to the "Fourth Annual Status Report" on the SMB project, most of the cost increases associated with the project are due to "procurement and fabrication" of "formliners" associated with the large retaining wall on SMB. The associations remain dumbfounded that no one was held responsible for the design flaws which led to this huge cost overrun. All attempts at exploring this issue have been thwarted with "we are looking into it." We believe the costs associated with this issue to be in the millions of dollars – money that the city has had to scramble to replace.

We should also add that in this same document the CAO claims "In addition, the following major items will be substantially complete by June 2005: Santa Monica Boulevard between Beverly Glen and Beverly Hills; I-405 Freeway on-ramps widening; and the installation of the MWD water main replacement." This stands in direct contradiction with not only

reality, but published schedules created contemporaneously by SMB project staff which hope to have the Beverly Glen-Beverly Hills segment by November 2005 - at best.

4. Fox Project Mitigation Funds

The Fox project mitigation funds have apparently been consumed by LADOT. We have been unable to get an accounting of the mitigation funds and how they were spent. We have been told that much was spent on LADOT administrative costs unrelated to area traffic mitigation. The development agreement required that Fox fund various traffic mitigation measures specified by the City. To date Fox has funded approximately \$6 million of the maximum \$8.5 million in mitigation measures. Included in those funded measures was a payment of \$500,000 Fox made to fund a so-called "neighborhood protection plan" or "NPP". The City was supposed to use the NPP funds to complete various measures to lessen the impact of the development on the surrounding residential neighborhoods. When asked, the Fox representatives said that they had never received any accounting from the City regarding expenditure of those funds.

5. Constellation Place Mitigation Funds

We have been unable to get an accounting on how this project's mitigation funds have been spent. We do know that a large portion of the money went towards a Motor Avenue reconfiguration which explicitly violates the council motion on the topic by directing traffic to other areas (per a LADOT presentation on the topic). Further, some of the money was spent on beautification - also not part of traffic mitigation. We now know that additional funds have been used to undo some of what was done due to poor planning.

6. Trammel Crow 2000 Avenue of the Stars Mitigation Funds

We are concerned that, having burned through other mitigation funds, this fund will now be consumed. Further, we are concerned that the process of allocating and spending mitigation funds allows for back-room dealings and non-transparency in general. Current information is that \$2.1 million dollars is to be spent on traffic calming medians on Motor, Manning, Prosser, and elsewhere south of Century City as the CCNTMP Phase 2.

The pattern clear to us is that mitigation money which is targeted to relieving traffic on the increasingly congested Westside has been consumed in a non-transparent fashion on many items which are improper at best. We strongly urge you to immediately involve the controller's office in the auditing, management and disbursement of mitigation funds.

Sincerely,

Michael Eveloff
President
Tract 7260 HOA

Barbara Broide
President
Westwood South HOA

Annette Mercer
President
Westwood Gardens

Neal Kaufman
Century Westwood Watch