

APPENDIX A – UPDATED PROJECT TRIP GENERATION

Table 2

Project Trip Generation¹

Land Use	Quantity	Units ²	Weekday							Saturday		
			Peak Hour						Daily	Mid-day		
			Morning			Evening				Inbound	Outbound	Total
			Inbound	Outbound	Total	Inbound	Outbound	Total				
<u>Trip Generation Rates</u>												
Shopping Center		TSF	0.60	0.36	0.96	1.78	1.93	3.71	42.70	2.51	2.31	4.82
High Turnover (Sit-Down) Restaurant		TSF	5.95	4.86	10.81	5.91	3.94	9.85	127.15	6.05	6.61	12.66
Quality Restaurant		TSF	0.41	0.40	0.81	5.02	2.47	7.49	89.95	6.38	4.44	10.82
Hotel		RM	0.39	0.28	0.67	0.34	0.36	0.70	8.92	0.44	0.43	0.87
Office		TSF	0.42	0.06	0.48	0.08	0.38	0.46	3.32	0.05	0.04	0.09
<u>Trips Generated</u>												
Shopping Center	83.707	TSF	50	30	80	149	162	311	3,574	210	193	403
High Turnover (Sit-Down) Restaurant	20.056	TSF	119	97	216	119	79	198	2,550	121	133	254
Quality Restaurant	20.057	TSF	8	8	16	101	50	151	1,804	128	89	217
Hotel	472	RM	184	132	316	160	170	330	4,210	208	203	411
Office	6.106	TSF	3	0	3	0	2	2	20	0	0	0
Subtotal			364	267	631	529	463	992	12,158	667	618	1,285
Pass-By (10%)			-36	-27	-63	-53	-46	-99	-1,216	-67	-62	-129
Commercial Internal Capture (5%)			-3	-2	-5	-7	-8	-15	-179	-11	-10	-21
Restaurant Internal Capture (10%)			-13	-11	-24	-22	-13	-35	-435	-25	-22	-47
Total			312	227	539	447	396	843	10,328	564	524	1,088

¹Source: Institute of Transportation Engineers, Trip Generation, 9th Edition, 2012, Land Use Categories 310, 710, 820, and 932.

²TSF = Thousand Square Feet; RM = Rooms

APPENDIX B – UPDATED PARKING ASSESSMENT

MEMORANDUM

LINSCOTT
LAW &
GREENSPAN

engineers

To: Parallax Investment Corporation Date: May 11, 2016

From: David S. Shender, P.E. LLG Ref: 5-15-0172-1
Linscott, Law & Greenspan, Engineers

Subject: **Revised Parking Assessment for the Proposed Rowland Heights Plaza and Hotel Project**
Rowland Heights area of unincorporated Los Angeles County

Engineers & Planners

Traffic
Transportation
Parking

Linscott, Law &
Greenspan, Engineers

20931 Burbank Boulevard
Suite C
Woodland Hills, CA 91367
818.835.8648 T
818.835.8649 F
www.llgengineers.com

Pasadena
Irvine
San Diego
Woodland Hills

This memorandum has been prepared by Linscott, Law & Greenspan, Engineers (LLG) to provide a *revised* parking assessment related to the proposed Rowland Heights Plaza and Hotel Project located in the Rowland Heights area of unincorporated Los Angeles County (the "Project"). This revised parking assessment document supersedes our prior report dated May 14, 2015. The specific revisions reflected in this report are as follows:

- The parking supply has been increased to 1,203 spaces, inclusive of the 75 parking spaces located off-site on the adjacent City of Industry parcel. The parking supply has been increased in part to provide a surplus of parking at the Project that would provide, at a minimum, a surplus equivalent to 5% of the overall peak hour of parking demand at the site. During other hours of the day, the surplus of parking would be even higher than 5% of the measured demand.
- The project description for Hotel A has been modified as follows:
 - 261 guestrooms and nine (9) suites (i.e., a reduction of five suites as compared to the project description evaluated in the prior parking assessment)
 - 8,000 square feet of banquet space and 4,000 square feet of meeting space (in lieu of 10,000 square feet of banquet space and 2,000 square feet of meeting room space evaluated in the prior parking assessment)
- The office component has been revised from 2,000 square feet to 6,106 square feet to reflect the use of gross building floor areas within the parking analysis for the Shopping Plaza in lieu of "net" floor area data.

The Project site is located on the north side of Gale Avenue and west of Nogales Street in Rowland Heights. This report provides a forecast of the Project's potential parking demand. Details of the parking assessment prepared for the Project are provided in the following sections.

1.0 Executive Conclusions

Our conclusions related to the Project's parking assessment are as follows:

- The Project proposes to provide 1,203 parking spaces on-site, inclusive of contiguous parking provided on property located within the adjacent City of Industry. A total of 1,509 off-street parking spaces would be required for the Project as proposed, based on the parking rates provided in the County Code. Based on nationally-accepted shared parking principles, this parking analysis forecasts a peak parking demand for 1,130 parking spaces for the Project at 12:00 p.m. (noon) on a weekend (Saturday), which is significantly less than the parking spaces required for the Project, based on the applicable rates provided in the County Code. It is therefore reasonable to forecast that the actual parking demand at the Project will be less than the Code requirement calculation and that the proposed 1,203 parking spaces are sufficient for the Project.
- In the event the Project is developed in phases, recommendations are provided for interim parking supplies for each phase to ensure an adequate supply of parking to accommodate the Project's eventual build-out.

2.0 Proposed Project

The Project consists of a commercial development featuring a shopping plaza that includes retail, restaurant, and offices components (the "Shopping Plaza") and two adjacent hotels (the "Hotels"). *Figure 1* provides the Project's proposed site plan. The Project's specific proposed uses are:

Shopping Plaza

- 63,707 square feet of retail area
- 1,561 occupants (customers and staff), assumed to occupy 40,113 square feet of restaurant area (restaurant floorplans and each unit's associated occupancy loads will be determined at a future date, as discussed in detail in the next subsection)
- 20,000 square feet of potential medical office (which may be converted to retail area, since both carry the same parking demands as required by the Los Angeles County Code)
- 6,107 square feet of general office area

Hotel A

- 261 hotel guestrooms
- 9 hotel suites
- 8,000 square feet of ballroom area
- 4,000 square feet of meeting room space
- 6,000 square foot restaurant with floor area allocated as follows:
 - 4,200 square feet of seating area
 - 1,800 square feet of non-seating area

Hotel B

- 132 hotel guestrooms
- 70 hotel suites

The Project proposes to provide 1,203 parking spaces on-site in both surface parking areas and subterranean structures. Of these, 1,128 parking spaces would be located within the County unincorporated Project area (273 spaces on the Hotel A parcel, 156 spaces on the Hotel B parcel, and 699 spaces on the Shopping Plaza parcel) and 75 parking spaces would be located within the adjacent City of Industry Project area.

2.1 Restaurant Floor Area

The Project's restaurant floor plans (and therefore associated occupancy loads for each restaurant unit) are not currently designed, and therefore each unit's occupancy load is as yet unknown. Units designated for restaurant use will be designed for permitting purposes at a later date. In the absence of layouts, and in order to understand parking demand generated by the Project's restaurants, the Shopping Plaza's applicant has proposed to limit the Project's restaurant occupancy to 1,561 persons (including both customers and staff). With a maximum restaurant occupancy load of 1,561 persons, parking requirements can be confirmed in accordance with Section 22.52 of the Los Angeles County Code, and actual parking demands generated by this occupancy load can be analyzed. Prior to undertaking such analysis (which is found in the following sections), the developer's proposal for limiting occupancy is described.

Section 22.52 of the Los Angeles County Code mandates that one parking space shall be provided for every three occupants of a restaurant. In discussions with County staff, we understand that, for planning purposes in the absence of designed floor plans, we may make the following assumptions:

- The area of a restaurant where people sit to eat is the most dense portion of the restaurant (the “Seating Area”), and that the Seating Area carries an assumed density of one person per 15 square feet;
- The other areas of a restaurant, including the kitchen, point of sale, aisles, etc. (the “Non-Seating Area”) is less dense and carries an assumed density of one person per 200 square feet; and
- A typical restaurant is designed such that on average 55% of the total area is dedicated as Seating Area, while 45% is dedicated as Non-Seating Area.

Since restaurant floors plans are currently unavailable, the Project’s applicant is proposing to use the County’s assumptions to guide restaurant floor area. As identified above, the Project’s maximum restaurant occupancy load will never exceed 1,561 persons, inclusive of customers and staff. Using this figure and the above assumptions as discussed with County staff, 1,561 persons would occupy a minimum of 40,113 square feet of restaurant floor area within the Shopping Plaza. Details of these calculations are as follows:

- $40,113 \text{ s.f.} * 55\% * 1 \text{ person}/15 \text{ s.f.} = 1,471 \text{ occupants Seating Area}$
- $40,113 \text{ s.f.} * 45\% * 1 \text{ person}/200 \text{ s.f.} = \underline{90 \text{ occupants Non-Seating Area}}$
1,561 occupants total

When restaurant floor plans are submitted for Director’s Review, it may result in occupancy loads that are less dense than the above assumptions (e.g., 50% Seating Area). In this case, there may be an increase in restaurant floor area without an impact on occupancy loads, and therefore a net zero effect on parking demand will result despite the increased restaurant floor area. In such an event, the Project’s applicant proposes to decrease the area of retail floor area in an amount corresponding to the increased area of restaurant. The Project applicant proposes to limit this potential corresponding increase in restaurant floor area to an absolute maximum restaurant floor area of 47,000 square feet. At 47,000 square feet of restaurant space with 1,561 occupants, there would be a consequential reduction in retail square footage and therefore a reduced total Shopping Plaza parking demand. To provide the most conservative analysis within this framework, this report analyzes 1,561 occupants in 40,113 square feet of restaurant space.

In order to give enforcement effect to the above analysis and control the Shopping Plaza's parking demand, the Project's applicant has proposed to employ the following language as a condition of approval:

The Shopping Plaza's maximum permitted occupancy load for all restaurant uses will never exceed 1,561 occupants (including both customer and staff) and total restaurant floor area shall not be less than 40,113 SF and will not exceed 47,000 SF. Restaurant occupancy loads shall be determined by the County Division of Building and Safety in accordance with the California Building Code in effect at the time when restaurant floor plans are submitted for Director's Reviews as required by the Department of Regional Planning.

Restaurant occupancy restrictions will be controlled through the Shopping Plaza Association's CC&R. The Shopping Plaza Association (as maintained by the property manager) shall (i) keep records of each restaurant unit's maximum occupancy load, (ii) track the Shopping Plaza's total occupancy load and (iii) have the authority to enforce each restaurant unit's maximum permitted occupancy load. Prior to applying for a Director's Review, each restaurant unit owner shall obtain written authorization from the Shopping Plaza Association that confirms the occupancy load sought for permit accords with that unit's maximum permitted occupancy in accordance with the CC&R. Restaurant owners shall be prohibited from applying for a permit that seeks an occupancy load in excess of what is allowed, or building out a unit in excess of that unit's permitted maximum occupancy.

Once the Shopping Plaza Association has approved restaurant uses within the Plaza with a total of 1,561 occupants, no further restaurant uses may be approved by the Shopping Plaza Association. Occupant loads may be reallocated among restaurant unit owners with the prior approval of the Shopping Plaza Association (and such approvals from the County and Director's Review as are required by the County) but under no circumstances shall the total occupant load for all restaurant uses in the Shopping Plaza exceed 1,561 occupant spaces.

3.0 Code Parking Calculation

Section 22.52 of the Los Angeles County Code provides off-street parking rates that are typically used to determine the amount of required parking for development projects. The County Code parking rates have been utilized within this parking demand analysis for purposes of determining the "baseline" parking demand for each component within the Project.

The County Code off-street parking rates applicable to the components of the Project are summarized below:

- Hotel Guestrooms: 1 space per 2 guestrooms
- Hotel Suites: 1 space per suite
- Function Space: 1 space per 3 occupants¹
- Retail: 1 space per 250 square feet of floor area
- Restaurant: 1 space per 3 occupants²
- Medical Office: 1 space per 250 square feet of floor area
- General Office: 1 space per 400 square feet of floor area

Table 1 provides the parking requirement for the Project based on application of the unadjusted County Code parking rates. Taken together, the components of the Project would yield the requirement for 1,509 off-street parking spaces based on the rates provided in the County Code. This calculation is prepared, however, prior to consideration of shared parking factors that would substantially reduce the actual parking demand as compared to the County Code rates.

4.0 Forecast Parking Demand

It can be reliably forecast that the actual parking demand at the Project will be less than what would otherwise be required by the County Code (i.e., 1,509 spaces). The calculation of parking required by the County Code is prepared prior to consideration of factors that would result in a substantially reduced parking demand at the Project. This is primarily based on the nationally-accepted shared parking principle as documented to be highly applicable to developments with multiple components such as the Project.

With shared parking, parking spaces can be shared throughout the day by employees and customers across the entire Project site, inclusive of the City of Industry parcel. For example, a Hotel guest would be permitted to park on the Shopping Plaza site in the evening during the peak hotel parking demand. Similarly, a retail customer would be able to park at one of the Hotel sites during the peak retail daytime parking demand. The concept of shared parking is discussed in more detail in a following section.

¹ Based on initial floor plans prepared for the hotel function space (meeting rooms and banquet space), occupancy is estimated at a maximum total of 800 persons.

² Based on feedback from County staff, for planning purposes, occupancy for restaurants is estimated at 1 person per 15 square feet of seating area and 1 person per 200 square feet of non-seating area. Actual occupancy – and therefore required parking – is determined at the time of submittal of conceptual plans depicting restaurant seating layout in accordance with the California Building Code.

Parking demand forecast was prepared for the Project to determine the actual parking demand that can be reasonably anticipated at the Project based on application of the factors listed above. By “right-sizing” the on-site parking supply, the Project will limit the amount of on-site parking so as to discourage unnecessary travel by the private automobile, while providing a sufficient supply of on-site parking so as to limit the potential for adverse effects that may be associated with Project-related vehicles seeking parking options at off-site locations.

The second edition of the *Shared Parking* manual published by the Urban Land Institute (ULI) was consulted for purposes of preparing the parking demand analysis. The *Shared Parking* manual was prepared by the ULI through the collection and evaluation of parking utilization data for a variety of land uses (hotels, retail, restaurants, office, etc.) both on a “stand-alone” basis, as well as in a multi-use development setting. Based on the review of this data, the *Shared Parking* manual provides recommendations for adjusting baseline parking rates to account for variations in parking demand that occur throughout the day, as well as during the week.

For example, at a typical hotel, the highest demand for parking associated with the guestrooms typically occurs at night when nearly all hotel guests are at the site for the evening. Parking demand during the day at hotels – when many hotel guests are off-site – is substantially less. Thus, the ULI document provides hour-by-hour parking profiles (or indices) for land uses such as hotels expressed as a percentage of peak demand. For hotels, it is assumed that the guestrooms would generate 100% of its peak parking demand at 12:00 a.m. (midnight). However, during the daytime, the amount of parking generated by the guestrooms is much less (e.g., 55% of peak demand at 12:00 p.m. noon). Thus, a parking space used by a hotel guest in the evening can be used (shared) with a parker associated with another component in the Project (e.g., retail) that has a peak daytime parking demand.

Additionally, the ULI document provides guidance to users in regards to forecasting weekday vs. weekend parking demand for various land uses. For example, related to retail uses, there are differing levels of parking demand in comparing weekdays to Saturdays. Most retail uses generate their highest parking demand during the afternoon on a Saturday (as determined by the County Code, this would be equivalent to one parking space for every 250 square feet of retail floor area). However, during the weekday, the highest demand for parking generated by the retail use would be less than what is experienced during the weekend (i.e., the peak weekday parking demand for retail is approximately 10% less than the peak weekend parking demand according to the *Shared Parking* document).

Finally, the *Shared Parking* manual provides discussion of land uses that generate “captive” markets and therefore generate fewer parking spaces as compared to a “stand-alone” use. For example, restaurants located within a hotel typically generate fewer parking spaces as compared to similar restaurants that are developed on a single site, or even located within a commercial center. This is because: 1) many of the customers of these ancillary restaurant uses are expected to be guests of the Hotel (whose parking needs are already accounted for in the hotel parking requirement); and 2) being located in the same facility allows for the sharing of employees, storage and other back-of-house functions that cannot occur in stand-alone facilities.

Accordingly, application of the shared parking principle minimizes the need to unnecessarily duplicate parking supply at commercial projects if a single space can satisfy the parking needs of multiple project components.

For food-serving uses, the ULI recognizes there are restaurants that generate their peak parking demand during the lunchtime period (e.g., quick-serve food concepts and other casual sit-down restaurants), while other restaurants experience their highest parking demand during the dinnertime period (e.g., “fine dining” establishments). As the restaurant component is a relatively high generator of parking demand at the Project, and to provide a “worst case” evaluation of potential parking demand at the Project, two scenarios have been evaluated: one scenario with all of the site restaurants with a peak lunchtime parking demand and a second scenario with all site restaurants having a peak dinnertime parking demand. In reality, the Project will likely be developed with a mix of food-serving uses, some with a peak lunchtime demand and others with a peak dinnertime demand, which will have the effect of dispersing the restaurant-related parking demand throughout the day rather than concentrated during the lunchtime or dinnertime period.

Tables 2A and 2B provide the shared parking evaluations for the Project for a typical weekday and weekend (Saturday) condition based on all restaurants in the Project having a peak dinnertime parking demand. Similarly, **Tables 3A and 3B** provide the shared parking evaluations conservatively assuming all restaurants in the Project have a peak lunchtime demand.

The following notes are provided in regards to the shared parking analysis:

- As previously noted, the County Code parking rates were used at the “baseline” parking demand rate for each component of the Project.
- Where applicable, adjustments to the baseline parking rate were made to account for differences in weekday vs. Saturday peak parking demand as recommended in the *Shared Parking* manual. For example, related to the hotel guestrooms, weekday demand was assumed to be 100% of peak demand

while Saturday demand was assumed to be 86% of peak demand. Also, as previously noted, retail parking demand is assumed to have its highest peak hour Saturdays, but weekday parking demand would be 90% of peak.

- The baseline parking rates related to the ancillary uses of Hotel A (the restaurant and function space) were reduced by 30% to account for captive market considerations. This is considered reasonable and conservative (by comparison, the City of West Hollywood Municipal Code allows for up to a 50% reduction in the regular City Code parking requirements for ancillary uses at hotels).
- The hour-by-hour parking demand indices for weekdays and Saturdays as provided in the *Shared Parking* document were applied to the adjusted baseline parking rates.
- As discussed in Section 2.1 Restaurant Floor Area above, for the floor area in the Shopping Plaza that could be developed as restaurant uses, the Shopping Plaza's total maximum permitted occupancy load for all restaurant uses will never exceed 1,561 occupant spaces (customers and staff) as determined by County staff through review of restaurant seating floor plans, and the total floor area permitted for Shopping Plaza restaurant uses will not exceed 47,000 square feet. As previously noted, the parking analysis conservatively assumes the 1,561 restaurant occupants would occupy 40,113 square feet of floor area based on the County staff guidance regarding assumed occupancy of restaurant space (1 person per 15 square feet of seating area, 1 person per 200 square feet of kitchen space, and 55% of overall floor area devoted to seating area). Should the restaurant floor area exceed 40,113 square feet at the Shopping Plaza (but the same maximum restaurant occupancy of 1,561 occupants), there would be less retail floor area, and therefore, a reduced parking demand for the overall Shopping Plaza. Thus, the analysis assumes the most conservative scenario that would exist within the constraints of the condition.
- As noted above, 20,000 square feet of floor area in the Shopping Plaza could be developed as either medical office (which has a high weekday parking demand) or retail floor area (which has a high weekend parking demand). Thus, the parking analysis reviews the weekday parking demand assuming the area is occupied by medical office tenants (*Tables 2A and 3A*), and the Saturday parking demand assumes the space occupied by retail tenants (*Tables 2B and 3B*). Thus, the parking analysis sufficiently addresses the scenarios whereby the floor area is occupied by either by either retail or medical office use uses in order to provide a conservative "worst case" analysis.

The forecast peak parking demand at the Project for the scenarios described above are as follows:

- *Table 2A* (Weekday, all peak dinnertime restaurants): 1,122 spaces - 6:00 p.m.
- *Table 2B* (Saturday, all peak dinnertime restaurants): 1,119 spaces - 8:00 p.m.
- *Table 3A* (Weekday, all peak lunchtime restaurants): 1,037 spaces - 12:00 p.m.
- *Table 3B* (Saturday, all peak lunchtime restaurants): 1,130 spaces - 12:00 p.m.

Accordingly, the proposed on-site parking supply of 1,203 parking spaces would adequately accommodate the peak parking demand of the Project for both a weekday and Saturday condition. Further, at the highest forecast level of parking demand (1,130 spaces), a surplus of 73 parking spaces is forecast, which is equivalent to approximately 6.4% of the peak parking demand. For parking design purposes, a minimum of parking surplus of at least 5% of the peak demand is desirable, primarily because it allows motorists who are entering the development during periods of peak demand the opportunity to find available spaces, rather than potentially circulating through the entire site to find the last available parking space. As previously noted, based on the series of highly conservative factors used in the parking demand analysis (such as all restaurants experiencing peak lunchtime or peak dinnertime parking demand), it is likely that the parking demand will be substantially less (and the resultant surpluses of unused parking spaces higher) than the “worst case” forecast provided herein.

5.0 Phasing

The development of the Project may be phased such that individual components could be constructed separately. Phasing scenarios evaluated (with associated parking supply) include the following:

- Hotel A only: 305 spaces³
- Hotel A & B: 412 spaces⁴
- Shopping Plaza only: 790 spaces⁵
- Hotel A & Shopping Plaza: 1,066 spaces⁶

³ For the Hotel A scenario, 273 parking spaces would be provided on the Hotel A site and 70 temporary parking spaces on the Hotel B site.

⁴ For the Hotel A & B scenario, 449 spaces would be provided on the combined Hotel A & B sites (inclusive of the 20 spaces on the City of Industry parcel), and 28 temporary parking spaces provided on the Shopping Plaza site.

⁵ For the Shopping Plaza only scenario, 754 parking spaces would be provided on the Shopping Plaza site (inclusive of the 55 spaces on the City of Industry parcel) and 76 temporary parking spaces provided on either the Hotel A or Hotel B site.

Table 4 below provides the forecast peak hour parking demand from *Tables 2A-2B* and *3A-3B* and provides a comparison to the proposed parking supply associated with each phase.

**Table 4
 Phased Parking Analysis**

Phase	Peak Parking Demand	Parking Supply
Hotel A only	305 spaces (5:00 p.m. weekday – Tables 2A/3A)	343 spaces
Hotel A & B	412 spaces (8:00 p.m. weekday – Tables 2A/3A)	477 spaces
Shopping Plaza only	790 spaces (12:00 p.m. Saturday – Table 3B)	830 spaces
Hotel A & Shopping Plaza	1,066 spaces (12:00 p.m. Saturday – Table 3B)	1,120 spaces

As shown in *Table 4*, sufficient parking would be provided for the various components of the Project based on the eventual phasing. Temporary arrangements for parking during construction of individual components may be required as the Project approaches build-out. For example, if Hotel A relies on 70 temporary parking spaces on the Hotel B site, a parking management plan will be required at such time construction on the Hotel B site commences.

⁶ For the Hotel A & Shopping Plaza scenario, 1,027 parking spaces would be provided on the Hotel A site and the Shopping Plaza site (inclusive of the 55 spaces on the City of Industry parcel) and 93 temporary parking spaces on the Hotel B site.

6.0 Summary

This memorandum provides the parking assessment prepared for the proposed Rowland Heights Plaza and Hotel project located in the Rowland Heights area of unincorporated Los Angeles County. The conclusions of the parking assessment are as follows:

- This study forecasts a peak parking demand for 1,130 parking spaces for the Project at 12:00 p.m. on a weekend (Saturday), which is significantly less than the amount of parking that would be required for the Project as calculated based on the applicable rates provided in the County Code.
- Based on the principles of shared parking as documented by the ULI, the Project's parking supply of 1,203 spaces would be sufficient to accommodate the forecast parking demand throughout all hours during a weekday and weekend condition. At the highest hour of parking demand, an estimated surplus equivalent to 6.4% of the peak parking demand would be provided, exceeding the minimum desired surplus of 5% of the peak demand. Further, based on the highly conservative assumptions utilized in preparing the parking demand forecasts, the actual parking surpluses will likely exceed the estimates provided herein.
- As the Project will likely be developed in phases, recommendations are provided herein for interim parking supplies for each phase to ensure an adequate supply of parking to accommodate the build-out of the development.

cc: File

TABLE 1
PRELIMINARY CODE PARKING CALCULATION [1]
ROWLAND HEIGHTS PLAZA AND HOTEL

11-May-16

Use	Size	Code Parking Rate	No. of Spaces
<u>Hotel A</u>			
Rooms	261 rooms	0.5 /room	131
Suites	9 suites	1 /suite	9
Banquet Room	8,000 s.f.	1 /3 occupants [1]	178
Meeting Room	4,000 s.f.	1 /3 occupants [1]	89
Restaurant	6,000 s.f.		
Customer Area	4,200 s.f.	1 /3 occupants [1]	93
Kitchen Area	1,800 s.f.	1 /3 occupants [1]	3
Subtotal Hotel A			503
<u>Hotel B</u>			
Rooms	132 rooms	0.5 /suite	66
Suites	70 suites	1 /suite	70
Subtotal Hotel B			136
<u>Plaza</u>			
Restaurant	40,113 s.f.		
Customer Area [3]	22,062 s.f.	1 /3 occupants [2]	490
Kitchen Area [3]	18,051 s.f.	1 /3 occupants [2]	30
Retail	63,707 s.f.	4 /1,000 s.f.	255
Medical Office or Retail	20,000 s.f.	4 /1,000 s.f.	80
General Office	6,106 s.f.	2.5 /1,000 s.f.	15
Subtotal Plaza			870
Total			1,509

[1] Based on initial floor plans, Meeting and Banquet Room occupancy estimated at a maximum of 800 persons (534 persons for the Banquet Room and 266 persons for the Meeting Room).

[2] Restaurant parking rate assumes 1 occupant per 15 square feet of customer area or 1 occupant per 200 square feet of kitchen area.

[3] Restaurant floor area in Plaza assumed to average 55% customer area and 45% kitchen on an aggregate basis.

TABLE 2A
WEEKDAY SHARED PARKING DEMAND ANALYSIS [1]
ROWLAND HEIGHTS PLAZA AND HOTEL

4-May-16

Land Use	Hotel A - Rooms	Hotel A - Suites	Hotel Banquet Space	Hotel Meeting Space	Hotel Restaurant		Retail	Medical Office / Retail [6]	Office	Restaurant [7]			Hotel B - Rooms	Hotel B - Suites		
Size	261 Rooms	9 Suites	8.0 KSF	4.0 KSF	6.0 KSF		63.707 KSF	20.0 KSF	6,106 KSF	40,113 KSF			132 Rms	70 Suites		
Peak Pkg Rate [2]	0.50 /Rm	1.00 /Ste	[4] /KSF	[4] /KSF	[5] /KSF		4.0 /KSF	4.0 /KSF	2.5 /KSF	[8] /KSF			0.50 /Rm	1.00 /Ste		
Weekday Pkg Rate [3]	0.50 /Rm	1.00 /Ste	[4] /KSF	[4] /KSF	[5] /KSF		3.6 /KSF	4.0 /KSF	2.5 /KSF	[8] /KSF			0.50 /Rm	1.00 /Ste		
Gross Spaces	131 Spc.	9 Spc.	178 Spc.	89 Spc.	96 Spc.	Subtotal	229 Spc.	80 Spc.	15 Spc.	468 Spc.	Subtotal	Hotel A & Plaza	66 Spc.	70 Spc.	Subtotal	Hotel A & Plaza
Adjusted Gross Spaces [9]	131 Spc.	9 Spc.	125 Spc.	62 Spc.	67 Spc.	Hotel A	229 Spc.	80 Spc.	15 Spc.	468 Spc.	Plaza	66 Spc.	70 Spc.	70 Spc.	Hotel B	Total Shared
Time of Day	Number of Spaces	Number of Spaces	Number of Spaces	Number of Spaces	Number of Spaces	Parking Demand	Number of Spaces	Number of Spaces	Number of Spaces	Number of Spaces	Parking Demand	Parking Demand	Number of Spaces	Number of Spaces	Parking Demand	Parking Demand
6:00 AM	124	9	0	0	0	133	2	0	0	0	2	135	63	67	263	265
7:00 AM	118	8	0	0	7	133	11	0	4	0	15	148	59	63	255	270
8:00 AM	105	7	38	31	20	201	34	48	11	0	93	294	53	56	310	403
9:00 AM	92	6	75	62	7	242	80	80	14	0	174	416	46	49	337	511
10:00 AM	79	5	75	62	7	228	149	80	15	70	314	542	40	42	310	624
11:00 AM	79	5	75	62	3	224	195	80	14	187	476	700	40	42	306	782
12:00 PM	72	5	81	62	67	287	218	80	13	351	662	949	36	39	362	1,024
1:00 PM	72	5	81	62	67	287	229	80	13	351	673	960	36	39	362	1,035
2:00 PM	79	5	81	62	22	249	218	80	15	304	617	866	40	42	331	948
3:00 PM	79	5	81	62	7	234	206	80	14	187	487	721	40	42	316	803
4:00 PM	85	6	81	62	7	241	206	80	13	234	533	774	43	46	330	863
5:00 PM	92	6	125	62	20	305	218	80	7	351	656	961	46	49	400	1,056
6:00 PM	98	7	125	31	37	298	218	54	4	445	721	1,019	50	53	401	1,122
7:00 PM	98	7	125	19	40	289	218	24	1	468	711	1,000	50	53	392	1,103
8:00 PM	105	7	125	19	47	303	183	12	1	468	664	967	53	56	412	1,076
9:00 PM	111	8	125	6	45	295	115	0	0	468	583	878	56	60	411	994
10:00 PM	124	9	63	0	40	236	69	0	0	445	514	750	63	67	366	880
11:00 PM	131	9	0	0	27	167	23	0	0	351	374	541	66	70	303	677
12:00 AM	131	9	0	0	0	140	0	0	0	117	117	257	66	70	276	393

Notes:

- [1] Hourly parking indices based on ULI - Urban Land Institute "Shared Parking," Second Edition, 2005.
- [2] Peak parking rates for all land uses based on County Code.
- [3] Weekday parking rates based on the weekday parking demand ratios, as summarized in Table 2-2 of the "Shared Parking" manual.
- [4] Meeting and Banquet room Code parking rate based on 1 space per 3 occupants, assuming 1 occupant per 15 square feet.
- [5] Hotel Restaurant Code parking rate based on 1 space per 3 occupants, assuming 4,200 square feet of customer area (1 occupant per 15 square feet) and 1,800 square feet of kitchen area (1 occupant per 200 square feet).
- [6] To provide a "worst case" analysis, 20,000 square feet analyzed as Medical Office use for weekday parking and Retail use for weekend parking.
- [7] Utilizes ULI hourly parking profile for Fine/Casual Dining Restaurant.
- [8] Restaurant Code rate based on 1 space per 3 occupants, assuming 1 occupant per 15 square feet of customer area (55% of the restaurant) or 1 occupant per 200 square feet of kitchen area (45% of restaurant).
- [9] Captive adjustment assumes 30% of Hotel Restaurant, Banquet, and Meeting Room occupants generated by Hotel guests.

TABLE 2B
WEEKEND SHARED PARKING DEMAND ANALYSIS [1]
ROWLAND HEIGHTS PLAZA AND HOTEL

4-May-16

Land Use	Hotel A - Rooms	Hotel A - Suites	Hotel Banquet Space	Hotel Meeting Space	Hotel Restaurant		Retail	Medical Office / Retail [6]	Office	Restaurant [7]			Hotel B - Rooms	Hotel B - Suites		
Size	261 Rooms	9 Suites	8.0 KSF	4.0 KSF	6.0 KSF		63.707 KSF	20.0 KSF	6,106 KSF	40,113 KSF			132 Rms	70 Suites		
Peak Pkg Rate [2]	0.50 /Rm	1.00 /Ste	[4] /KSF	[4] /KSF	[5] /KSF		4.0 /KSF	4.0 /KSF	2.5 /KSF	[8] /KSF			0.50 /Rm	1.00 /Ste		
Weekend Pkg Rate [3]	0.43 /Rm	0.86 /Ste	[4] /KSF	[4] /KSF	[5] /KSF		4.0 /KSF	4.0 /KSF	0.3 /KSF	[8] /KSF			0.43 /Rm	0.86 /Ste		
Gross Spaces	113 Spc.	8 Spc.	178 Spc.	89 Spc.	96 Spc.	Subtotal	255 Spc.	80 Spc.	2 Spc.	520 Spc.	Subtotal	Hotel A & Plaza	57 Spc.	60 Spc.	Subtotal	Hotel A & Hotel B
Adjusted Gross Spaces [9]	113 Spc.	8 Spc.	125 Spc.	62 Spc.	67 Spc.	Hotel A	255 Spc.	80 Spc.	2 Spc.	520 Spc.	Plaza	57 Spc.	60 Spc.	60 Spc.	Hotel B	Total Shared
Time of Day	Number of Spaces	Number of Spaces	Number of Spaces	Number of Spaces	Number of Spaces	Parking Demand	Number of Spaces	Number of Spaces	Number of Spaces	Number of Spaces	Parking Demand	Parking Demand	Number of Spaces	Number of Spaces	Parking Demand	Parking Demand
6:00 AM	107	8	0	0	0	115	3	1	0	0	4	119	54	57	226	230
7:00 AM	102	7	0	0	7	116	13	4	0	0	17	133	51	54	221	238
8:00 AM	90	6	38	31	20	185	26	8	1	0	35	220	46	48	279	314
9:00 AM	79	6	75	62	7	229	77	24	2	0	103	332	40	42	311	414
10:00 AM	68	5	75	62	7	217	128	40	2	0	170	387	34	36	287	457
11:00 AM	68	5	75	62	3	213	166	52	2	78	298	511	34	36	283	581
12:00 PM	62	4	81	62	67	276	204	64	2	260	530	806	31	33	340	870
1:00 PM	62	4	81	62	67	276	230	72	2	286	590	866	31	33	340	930
2:00 PM	68	5	81	62	22	238	255	80	1	234	570	808	34	36	308	878
3:00 PM	68	5	81	62	7	223	255	80	1	234	570	793	34	36	293	863
4:00 PM	73	5	81	62	7	228	242	76	0	234	552	780	37	39	304	856
5:00 PM	79	6	125	62	20	292	230	72	0	312	614	906	40	42	374	988
6:00 PM	85	6	125	31	37	284	204	64	0	468	736	1,020	43	45	372	1,108
7:00 PM	85	6	125	19	40	275	191	60	0	494	745	1,020	43	45	363	1,108
8:00 PM	90	6	125	19	47	287	166	52	0	520	738	1,025	46	48	381	1,119
9:00 PM	96	7	125	6	45	279	128	40	0	468	636	915	48	51	378	1,014
10:00 PM	107	8	63	0	40	218	89	28	0	468	585	803	54	57	329	914
11:00 PM	113	8	0	0	27	148	38	12	0	468	518	666	57	60	265	783
12:00 AM	113	8	0	0	0	121	0	0	0	260	260	381	57	60	238	498

Notes:

- [1] Hourly parking indices based on ULI - Urban Land Institute "Shared Parking," Second Edition, 2005.
- [2] Peak parking rates for all land uses based on County Code.
- [3] Weekend parking rates reflect relationships between the weekend parking demand ratios and the peak parking demand ratios, as summarized in Table 2-2 of the "Shared Parking" manual.
- [4] Meeting and Banquet room Code parking rate based on 1 space per 3 occupants, assuming 1 occupant per 15 square feet.
- [5] Hotel Restaurant Code parking rate based on 1 space per 3 occupants, assuming 4,200 square feet of customer area (1 occupant per 15 square feet) and 1,800 square feet of kitchen area (1 occupant per 200 square feet).
- [6] To provide a "worst case" analysis, 20,000 square feet analyzed as Medical Office use for weekday parking and Retail use for weekend parking.
- [7] Utilizes ULI hourly parking profile for Fine/Casual Dining Restaurant.
- [8] Restaurant Code rate based on 1 space per 3 occupants, assuming 1 occupant per 15 square feet of customer area (55% of the restaurant) or 1 occupant per 200 square feet of kitchen area (45% of restaurant).
- [9] Captive adjustment assumes 30% of Hotel Restaurant, Banquet, and Meeting Room occupants generated by Hotel guests.

TABLE 3A
WEEKDAY SHARED PARKING DEMAND ANALYSIS [1]
ROWLAND HEIGHTS PLAZA AND HOTEL

4-May-16

Land Use	Hotel A - Rooms	Hotel A - Suites	Hotel Banquet Space	Hotel Meeting Space	Hotel Restaurant		Retail	Medical Office / Retail [6]	Office	Restaurant [7]			Hotel B - Rooms	Hotel B - Suites		
Size	261 Rooms	9 Suites	8.0 KSF	4.0 KSF	6.0 KSF		63.707 KSF	20.0 KSF	6,106 KSF	40,113 KSF			132 Rms	70 Suites		
Peak Pkg Rate [2]	0.50 /Rm	1.00 /Ste	[4] /KSF	[4] /KSF	[5] /KSF		4.0 /KSF	4.0 /KSF	2.5 /KSF	[8] /KSF			0.50 /Rm	1.00 /Ste		
Weekday Pkg Rate [3]	0.50 /Rm	1.00 /Ste	[4] /KSF	[4] /KSF	[5] /KSF		3.6 /KSF	4.0 /KSF	2.5 /KSF	[8] /KSF			0.50 /Rm	1.00 /Ste		
Gross Spaces	131 Spc.	9 Spc.	178 Spc.	89 Spc.	96 Spc.	Subtotal	229 Spc.	80 Spc.	15 Spc.	364 Spc.	Subtotal	Hotel A & Plaza	66 Spc.	70 Spc.	Subtotal	Hotel A & Plaza
Adjusted Gross Spaces [9]	131 Spc.	9 Spc.	125 Spc.	62 Spc.	67 Spc.	Hotel A	229 Spc.	80 Spc.	15 Spc.	364 Spc.	Plaza	66 Spc.	70 Spc.	70 Spc.	Hotel B	Total Shared
Time of Day	Number of Spaces	Number of Spaces	Number of Spaces	Number of Spaces	Number of Spaces	Parking Demand	Number of Spaces	Number of Spaces	Number of Spaces	Number of Spaces	Parking Demand	Parking Demand	Number of Spaces	Number of Spaces	Parking Demand	Parking Demand
6:00 AM	124	9	0	0	0	133	2	0	0	91	93	226	63	67	263	356
7:00 AM	118	8	0	0	7	133	11	0	4	182	197	330	59	63	255	452
8:00 AM	105	7	38	31	20	201	34	48	11	218	311	512	53	56	310	621
9:00 AM	92	6	75	62	7	242	80	80	14	273	447	689	46	49	337	784
10:00 AM	79	5	75	62	7	228	149	80	15	309	553	781	40	42	310	863
11:00 AM	79	5	75	62	3	224	195	80	14	328	617	841	40	42	306	923
12:00 PM	72	5	81	62	67	287	218	80	13	364	675	962	36	39	362	1,037
1:00 PM	72	5	81	62	67	287	229	80	13	328	650	937	36	39	362	1,012
2:00 PM	79	5	81	62	22	249	218	80	15	182	495	744	40	42	331	826
3:00 PM	79	5	81	62	7	234	206	80	14	164	464	698	40	42	316	780
4:00 PM	85	6	81	62	7	241	206	80	13	164	463	704	43	46	330	793
5:00 PM	92	6	125	62	20	305	218	80	7	273	578	883	46	49	400	978
6:00 PM	98	7	125	31	37	298	218	54	4	291	567	865	50	53	401	968
7:00 PM	98	7	125	19	40	289	218	24	1	291	534	823	50	53	392	926
8:00 PM	105	7	125	19	47	303	183	12	1	291	487	790	53	56	412	899
9:00 PM	111	8	125	6	45	295	115	0	0	218	333	628	56	60	411	744
10:00 PM	124	9	63	0	40	236	69	0	0	200	269	505	63	67	366	635
11:00 PM	131	9	0	0	27	167	23	0	0	182	205	372	66	70	303	508
12:00 AM	131	9	0	0	0	140	0	0	0	91	91	231	66	70	276	367

Notes:

- [1] Hourly parking indices based on ULI - Urban Land Institute "Shared Parking," Second Edition, 2005.
- [2] Peak parking rates for all land uses based on County Code.
- [3] Weekday parking rates based on the weekday parking demand ratios, as summarized in Table 2-2 of the "Shared Parking" manual.
- [4] Meeting and Banquet room Code parking rate based on 1 space per 3 occupants, assuming 1 occupant per 15 square feet.
- [5] Hotel Restaurant Code parking rate based on 1 space per 3 occupants, assuming 4,200 square feet of customer area (1 occupant per 15 square feet) and 1,800 square feet of kitchen area (1 occupant per 200 square feet).
- [6] To provide a "worst case" analysis, 20,000 square feet analyzed as Medical Office use for weekday parking and Retail use for weekend parking.
- [7] Utilizes ULI hourly parking profile for Family Restaurant.
- [8] Restaurant Code rate based on 1 space per 3 occupants, assuming 1 occupant per 15 square feet of customer area (55% of the restaurant) or 1 occupant per 200 square feet of kitchen area (45% of restaurant).
- [9] Captive adjustment assumes 30% of Hotel Restaurant, Banquet, and Meeting Room occupants generated by Hotel guests.

TABLE 3B
WEEKEND SHARED PARKING DEMAND ANALYSIS [1]
ROWLAND HEIGHTS PLAZA AND HOTEL

4-May-16

Land Use	Hotel A - Rooms	Hotel A - Suites	Hotel Banquet Space	Hotel Meeting Space	Hotel Restaurant		Retail	Medical Office / Retail [6]	Office	Restaurant [7]			Hotel B - Rooms	Hotel B - Suites		
Size	261 Rooms	9 Suites	8.0 KSF	4.0 KSF	6.0 KSF		63.707 KSF	20.0 KSF	6.106 KSF	40.113 KSF			132 Rms	70 Suites		
Peak Pkg Rate [2]	0.50 /Rm	1.00 /Ste	[4] /KSF	[4] /KSF	[5] /KSF		4.0 /KSF	4.0 /KSF	2.5 /KSF	[8] /KSF			0.50 /Rm	1.00 /Ste		
Weekend Pkg Rate [3]	0.43 /Rm	0.86 /Ste	[4] /KSF	[4] /KSF	[5] /KSF		4.0 /KSF	4.0 /KSF	0.3 /KSF	[8] /KSF			0.43 /Rm	0.86 /Ste		
Gross Spaces	113 Spc.	8 Spc.	178 Spc.	89 Spc.	96 Spc.	Subtotal	255 Spc.	80 Spc.	2 Spc.	520 Spc.	Subtotal	Hotel A & Plaza	57 Spc.	60 Spc.	Subtotal	Hotel A & Hotel B
Adjusted Gross Spaces [9]	113 Spc.	8 Spc.	125 Spc.	62 Spc.	67 Spc.	Hotel A	255 Spc.	80 Spc.	2 Spc.	520 Spc.	Plaza	57 Spc.	60 Spc.	60 Spc.	Hotel B	Total Shared
Time of Day	Number of Spaces	Number of Spaces	Number of Spaces	Number of Spaces	Number of Spaces	Parking Demand	Number of Spaces	Number of Spaces	Number of Spaces	Number of Spaces	Parking Demand	Parking Demand	Number of Spaces	Number of Spaces	Parking Demand	Parking Demand
6:00 AM	107	8	0	0	0	115	3	1	0	52	56	171	54	57	226	282
7:00 AM	102	7	0	0	7	116	13	4	0	130	147	263	51	54	221	368
8:00 AM	90	6	38	31	20	185	26	8	1	234	269	454	46	48	279	548
9:00 AM	79	6	75	62	7	229	77	24	2	364	467	696	40	42	311	778
10:00 AM	68	5	75	62	7	217	128	40	2	468	638	855	34	36	287	925
11:00 AM	68	5	75	62	3	213	166	52	2	468	688	901	34	36	283	971
12:00 PM	62	4	81	62	67	276	204	64	2	520	790	1,066	31	33	340	1,130
1:00 PM	62	4	81	62	67	276	230	72	2	442	746	1,022	31	33	340	1,086
2:00 PM	68	5	81	62	22	238	255	80	1	338	674	912	34	36	308	982
3:00 PM	68	5	81	62	7	223	255	80	1	208	544	767	34	36	293	837
4:00 PM	73	5	81	62	7	228	242	76	0	234	552	780	37	39	304	856
5:00 PM	79	6	125	62	20	292	230	72	0	312	614	906	40	42	374	988
6:00 PM	85	6	125	31	37	284	204	64	0	364	632	916	43	45	372	1,004
7:00 PM	85	6	125	19	40	275	191	60	0	364	615	890	43	45	363	978
8:00 PM	90	6	125	19	47	287	166	52	0	338	556	843	46	48	381	937
9:00 PM	96	7	125	6	45	279	128	40	0	156	324	603	48	51	378	702
10:00 PM	107	8	63	0	40	218	89	28	0	130	247	465	54	57	329	576
11:00 PM	113	8	0	0	27	148	38	12	0	78	128	276	57	60	265	393
12:00 AM	113	8	0	0	0	121	0	0	0	52	52	173	57	60	238	290

Notes:

- [1] Hourly parking indices based on ULI - Urban Land Institute "Shared Parking," Second Edition, 2005.
- [2] Peak parking rates for all land uses based on County Code.
- [3] Weekend parking rates reflect relationships between the weekend parking demand ratios and the peak parking demand ratios, as summarized in Table 2-2 of the "Shared Parking" manual.
- [4] Meeting and Banquet room Code parking rate based on 1 space per 3 occupants, assuming 1 occupant per 15 square feet.
- [5] Hotel Restaurant Code parking rate based on 1 space per 3 occupants, assuming 4,200 square feet of customer area (1 occupant per 15 square feet) and 1,800 square feet of kitchen area (1 occupant per 200 square feet).
- [6] To provide a "worst case" analysis, 20,000 square feet analyzed as Medical Office use for weekday parking and Retail use for weekend parking.
- [7] Utilizes ULI hourly parking profile for Family Restaurant.
- [8] Restaurant Code rate based on 1 space per 3 occupants, assuming 1 occupant per 15 square feet of customer area (55% of the restaurant) or 1 occupant per 200 square feet of kitchen area (45% of restaurant).
- [9] Captive adjustment assumes 30% of Hotel Restaurant, Banquet, and Meeting Room occupants generated by Hotel guests.

APN 8264-021-801
 OWNER: UNION PACIFIC RAILROAD CO
 C/L PACIFIC RAILROAD RIGHT OF WAY

PROJECT SUMMARY

LAND AREA (GROSS - COUNTY OF LOS ANGELES)			(NET - LESS STREET WIDENING AT GALE AVENUE)		
PARCEL 1	381,183 SF	8.751 ACRES	PARCEL 1	353,730 SF	8.121 ACRES
PARCEL 2	147,173 SF	3.379 ACRES	PARCEL 2	140,081 SF	3.216 ACRES
PARCEL 3	84,003 SF	1.928 ACRES	PARCEL 3	84,003 SF	1.928 ACRES

BUILDING AREAS	FLOOR AREA	RETAIL USE	OFFICE	RESTAURANT / FOOD SERVICE USE AT 31% OF FLOOR AREA
PARCEL 1				
BUILDING 1 (GROUND FLOOR)	19,176 SF	12,388 SF		6,202 SF
BUILDING 1 (SECOND FLOOR)	13,297 SF	9,160 SF		4,637 SF
BUILDING 2	38,942 SF	26,582 SF		11,382 SF
BUILDING 3	13,589 SF	13,589 SF		4,077 SF
BUILDING 4 (GROUND FLOOR)	27,238 SF	16,406 SF		8,290 SF
BUILDING 4 (SECOND FLOOR)	17,684 SF	9,510 SF	6,106 SF	5,674 SF
SUB TOTAL	129,926 SF	83,707 SF	6,106 SF	40,113 SF
% OF FLOOR AREA		64%	5%	31%

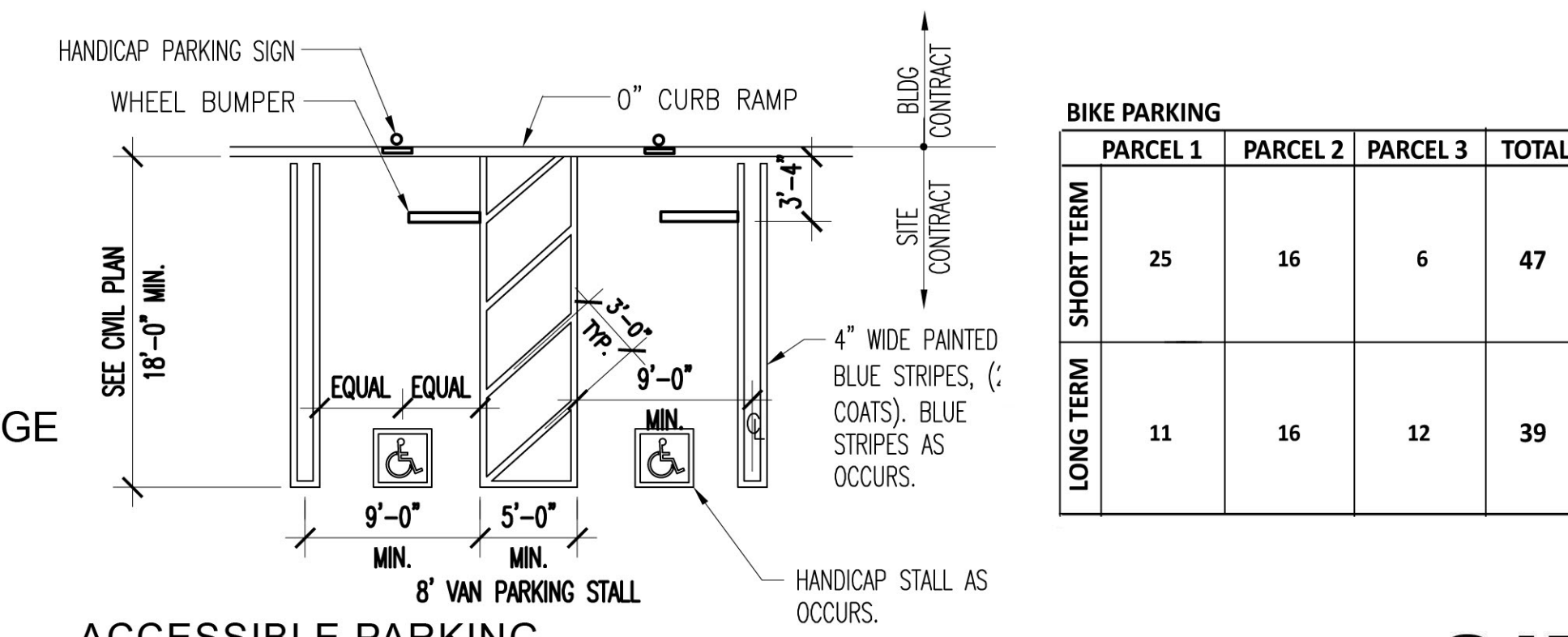
PARCEL 2	HOTEL A - FULL SERVICE (6) SIX STORIES	189,950 SF	270 KEYS	
PARCEL 3	HOTEL B - EXTENDED STAY (6) SIX STORIES	130,930 SF	202 KEYS	
SUB TOTALS		320,880 SF	472 KEYS	
TOTAL		450,806 SF		(TOTAL GROSS BLDG. AREA PARCELS 1, 2 & 3)

F.A.R. CALCULATIONS		REFER TO CIVIL SHEETS FOR ALL ENGINEERING HORIZONTAL AND VERTICAL INFORMATION	
SITE AREA PARCEL 1 (NET)	353,730 SF	8.121 ACRES	
FLOOR AREA (GROSS)	129,926 SF		
F.A.R.	0.367		
SITE AREA PARCEL 2 (NET)	140,081 SF	3.216 ACRES	
FLOOR AREA (GROSS)	189,950 SF		
F.A.R.	1.35		
SITE AREA PARCEL 3 (NET)	84,003 SF	1.928 ACRES	
FLOOR AREA (GROSS)	130,930 SF		
F.A.R.	1.55		

COUNTY OF LOS ANGELES PARKING REQUIREMENTS BASED ON FLOOR AREA (NET)						
PARCEL 1	PARCEL 2	PARCEL 3	TOTAL	RETAIL USE	OFFICE USE	RESTAURANT / FOOD SERVICE USE
83,707 SF @ 1/250	6,106 SF @ 1/400	(40,113 X 55%) / (15/3) + (40,113 X 45%) / (200/3)	0.5 X 261 KEYS 1.0 X 9 KEYS	12,000/15/3	RESTAURANT (3,600/15/3) + BAR (600/15/3) + KITCHEN (1800/200/3)	1.0 X 70 KEYS 0.5 X 132 KEYS
335	15	520	140	267	96	136
1,509	1,130	1,203	1,509			

PARKING	REQUIRED / CODE	REQUIRED (W/SHARED ANALYSIS)**	PROVIDED	NOTE
STANDARD STALLS (COMPACT STALLS)	1,509 (589 @ 39% Max Allowed)	1,130	1,203 (354 @ 29%)	PARCEL 1 - SURFACE 511 STALLS - STRUCTURE 188 STALLS (249 Compact Stalls @ 35%) + (INCL) ADJACENT CITY OF INDUSTRY LAND (55 STALLS) TOTAL PARKING STALLS (PARCEL 1) = 754 STALLS
CLEAN AIR VEHICLES 8% (STANDARD STALLS)	21 (TWENTY PLUS ONE) FOR EACH 100			PARCEL 2 - SURFACE 133 STALLS - STRUCTURE 130 STALLS - 10 TANDEM STALLS (63 Compact Stalls @ 24%)
ACCESSIBLE STALLS	1/8 ACCESSIBLE STALL			PARCEL 3 - SURFACE 79 STALLS - STRUCTURE 77 STALLS (42 Compact Stalls @ 27%) + (INCL) ADJACENT CITY OF INDUSTRY LAND (20 STALLS) TOTAL PARKING STALLS (PARCELS 2 & 3) = 449 STALLS
PARKING TOTAL	1,509	1,130	1,203	

** REQUIRED PARKING BASED ON SHARED PARKING ANALYSIS STUDY PREPARED BY LINSOTT, LAW & GREENSPAN, ENGINEERS



BIKE PARKING	PARCEL 1	PARCEL 2	PARCEL 3	TOTAL
	SHORT TERM	25	16	6
LONG TERM	11	16	12	39

NOTES:
 1. FOR HANDICAP CURB RAMP/LANDING/ SIDEWALK/GROOVE BORDER and FINISH, REFER TO CIVIL PLANS - TYP.
 2. SURFACE SLOPES OF PARKING SPACES SHALL NOT EXCEED 1/4" PER FOOT IN ANY DIRECTION.

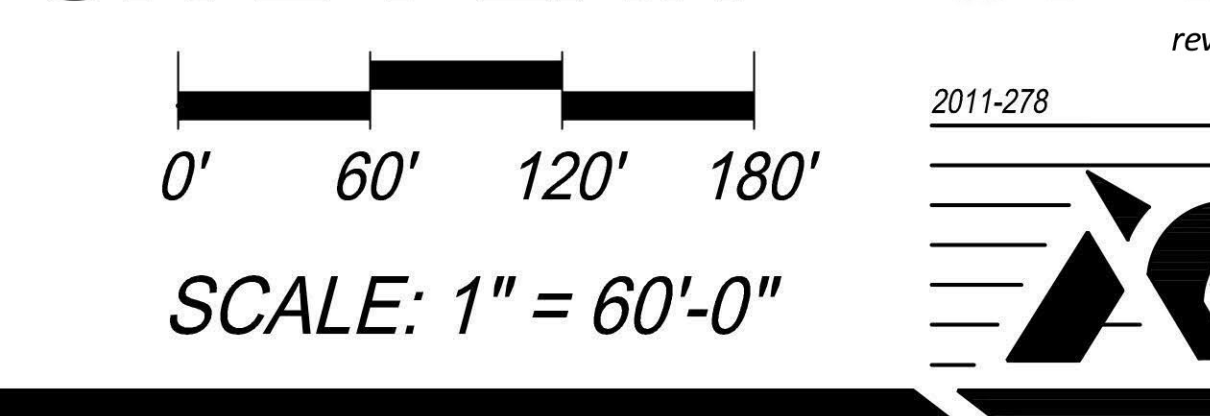
RETAIL UNITS AREA SUMMARY

BUILDING 1(1st FLOOR)		BUILDING 2(1st FLOOR)		BUILDING 3(1st FLOOR)	
UNIT NO.	FLOOR AREA	UNIT NO.	FLOOR AREA	UNIT NO.	FLOOR AREA
1-101	560 SF	2-101	744 SF	3-108	897 SF
1-102	455 SF	2-102	744 SF	3-109	897 SF
1-103	455 SF	2-103	744 SF	3-110	897 SF
1-104	968 SF	2-104	744 SF	3-111	897 SF
1-105	658 SF	2-105	868 SF	3-112	897 SF
1-106	658 SF	2-106	868 SF	3-113	897 SF
1-107	658 SF	2-107	868 SF	3-114	897 SF
1-108	658 SF	2-108	868 SF	3-115	897 SF
1-109	658 SF	2-109	868 SF		
1-110	658 SF	2-110	732 SF		
1-111	658 SF	2-111	868 SF		
1-112	658 SF	2-112	868 SF		
1-113	658 SF	2-113	868 SF		
1-114	1,140 SF	2-114	868 SF		
1-115	875 SF	2-115	868 SF		
1-116	915 SF	2-116	2,213 SF		
1-117	580 SF	2-117	951 SF		
1-118	560 SF	2-118	952 SF		
1-119	560 SF	2-119	2,653 SF		
1-120	560 SF	2-120	943 SF		
1-121	560 SF	2-121	943 SF		
1-122	560 SF	2-122	943 SF		
1-123	560 SF	2-123	943 SF		
1-124	560 SF	2-124	943 SF		
1-125	560 SF	2-125	943 SF		
1-126	560 SF	2-126	943 SF		
1-127	560 SF	2-127	943 SF		
1-128	560 SF	2-128	1,018 SF		
1-129	560 SF	2-129	1,018 SF		
		2-130	943 SF		
		2-131	943 SF		
		2-132	943 SF		
		2-133	943 SF		
		2-134	943 SF		
		2-135	943 SF		
		2-136	943 SF		
		2-137	943 SF		
		2-138	910 SF		
		2-139	773 SF		

VICINITY MAP



SITE PLAN SP1



rev. 2016-05-10
 2011-278 2014-07-25
 SCALE: 1" = 60'-0"

ADJACENT INDUSTRIAL OFFICE DEVELOPMENTS
 P.M.B. 233 / 13 - 16
 PARCEL MAP NO. 26

ADJACENT COMMERCIAL SHOPPING CENTER
 PARCEL MAP NO. 13106 PARCEL 1

SITE APN(S) 8264-021-020, 8264-021-027
 SITE ADDRESS:
 18800 GALE AVENUE, ROWLAND HEIGHTS, CA

ROWLAND HEIGHTS PLAZA AND HOTEL, ROWLAND HEIGHTS CA

APPLICANT: PARALLAX INVESTMENT CORPORATION
 26 SOHO STREET, SUITE 205
 TORONTO, ONTARIO BCM5T 1Z7
 CONTACT: STAFFORD LAWSON, (416) 944-0968 STAFFORD@PARALLAXCORP.CA

HOTEL ARCHITECT

GENE FONG ASSOCIATES
 ARCHITECTURE, PLANNING, INTERIORS
 1130 WESTWOOD BLVD.
 LOS ANGELES, CA 90024
 (310) 209-7520 FAX: (310) 209-7516

WEB SITE WWW.GFAARCHITECTS.COM
 CONTACT: GENE FONG, GFONG@GFONGARCHITECTS.COM

RETAIL ARCHITECT

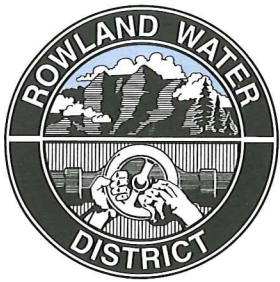
ARCHITECTS ORANGE

144 NORTH ORANGE ST., ORANGE, CALIFORNIA 92866 (714) 639-9860
 WEB SITE WWW.ARCHITECTSORANGE.COM
 CONTACT: KEN SMITH, KENS@ARCHITECTSORANGE.COM

© 2014 Architects Orange
 These plans are copyright protected under such protection unauthorized use is not permitted. These plans shall not be reproduced or used without written permission by Architects Orange.

APPENDIX C - REVISED WATER SUPPLY AVAILABILITY SUPPORTING INFORMATION

**C.1 ROWLAND WATER DISTRICT REVISED WILL SERVE LETTER –
ROWLAND WATER DISTRICT, JULY 6, 2016**



ROWLAND WATER DISTRICT

BOARD OF DIRECTORS

Szu Pei Lu-Yang
President

John E. Bellah
Director

Anthony J. Lima
Director

Robert W. Lewis
Vice President

Teresa P. Rios
Director

Thomas L. Coleman
General Manager

David Warren
Director of Operations

Rosemarie Perea
Director of Administrative Svcs.

July 6, 2016

Mr. Michael Swan
PSOMAS
3 Hutton Centre Drive, Suite 200
Santa Ana, CA 92707

Subject: Will Serve Letter

Dear Mr. Swan:

This letter is to confirm that the property located at 18800 Gale Avenue, Rowland Heights, CA (APN: 8264-021-021) ("Property") is within the service area of the Rowland Water District ("District"). Subject to certain conditions described herein, which must be further set forth in a Water Service Agreement between the Property owner and the District, water service for the Property is available from the District.

The District has received information regarding a proposed mixed-use project ("Project") that has been proposed for the Property. As described, the Project will include two hotels (containing a total of 472 hotel rooms, as well as associated meeting rooms and a hotel restaurant/bar), 6,106 square feet of office space, 87,635 square feet of retail space, and restaurant uses containing a total of 924 seats. According to the Project applicant, the average annual water demand for the Project will be approximately 95 acre-feet per year upon its full build out, which is estimated to be in 2020.

The District is willing and able to provide water service for the Project when all applicable fees and charges have been paid and upon satisfaction of the requirements for connection pursuant to the District's rules and regulations. With regard to the availability of water supplies to serve the Project, the District notes that the water demands of the Project are not included as part of the current or projected water demands identified and analyzed as part of the District's recently adopted 2015 Urban Water Management Plan. Therefore, in addition to any other applicable fees and charges by the District, a condition of the District providing water service to the Project is that the Project applicant must fund an expansion of the District's existing recycled water infrastructure that will enable the District to provide a minimum of 95 acre-feet of additional recycled water service within the District.

This letter shall not constitute a vested right to receive water service at any particular level or in any particular amount, nor does this letter impose, expand, or limit any duty concerning the District's obligation to provide service to its existing customers or to any future potential customers. Nothing herein prevents or otherwise interferes with the District's discretionary authority to declare a water shortage emergency in accordance with Water Code section 350 et seq. and to take any and all related and other actions authorized by law. All water service by the District is provided in accordance with the District's authority and discretion as a public agency.

This will serve letter will automatically terminate one year from the date of this letter. If you have any questions, please contact me directly.

Yours truly,

TOM COLEMAN
General Manager

**C.2 REVISED WATER DEMAND FOR PARALLAX GALE AVENUE
HOTEL/RETAIL SITE – PSOMAS, MAY 26, 2106**

TECHNICAL MEMORANDUM

To: Tom Coleman, General Manager
Rowland Water District

From: Mike Swan

Date: May 26, 2016

Subject: Water Demand for Parallax Gale Avenue Hotel/Retail Site

Introduction

The purpose of this memo is to develop a consensus on the average annual water demand for the subject site discussed at our meeting on May 20, 2016 in your offices. Attached to this memo is a table showing the original estimated water demands using standard demand factors apparently from Los Angeles County. Sewer demand factors were used based on the assumption that landscape irrigation demands would be served by recycled water, which is available nearby from an existing line in Valley Boulevard just north of the project.

At our meeting we discussed the fact that the demand factors could be quite conservative since they are used to size sewer lines and based on extremely old data; and since they are used to collect connection fees, it is in the best interest of the sewer agency to have them as high as possible. I pointed out that with current building codes, fixtures that generate the water demand to coincide with the factors utilized can't even be obtained in California. Additionally, the developer is interested in building a "green" development that generates as small a "footprint" as possible.

Analysis

Given these facts, we have developed a water demand estimate using current demand factors that should be easily achievable for the average annual water demand of the project and have included pages of support data for the various demand factors utilized. The first attached table is the "Original Water Demand Estimate" and the next one is the "Conservation Water Demand Estimate".

The original estimate used a demand factor of 150 gpd/room for the two hotels proposed on the project. I'm not sure where that factor was derived because LA County Sanitation (LA San) uses 125 gpd/room (see attached backup in Appendices), and I also believe the 125 gpd/room is based on the peak occupancy (100%) and is meant to include all ancillary meeting and ballroom spaces. Since we are projecting average annual water demands, an occupancy rate of 75% for 365 days a year is thought to be excellent. Attached after the Conservation Demand Estimate table is a table showing the results of a recent hotel water demand study where five medium sized hotels in San Francisco and one in Napa were metered during a peak month where occupancies were estimated to be approximately 90%. The hotels that had new fixtures in this study exhibited an average demand of 61 gpd/room adjusted to 100% occupancy and if you adjust it for an annual average of 75% occupancy the factor would be 45 gpd/room. In the Conservation Demand table we have used 50 gpd/room, which would equate to an average

occupancy of approximately 80% or provide an approximate 10% contingency over the subject study.

The next demand factor is for restaurants and this is a bit more difficult to pin down. The developer provided the number of seats in the restaurants but this figure does not equate easily to a demand factor because it depends more on the number of meals served and the occupancy of the total seating. As shown in the attached backup from LA San, they use 1,000 gpd/thousand square feet (ksf), which again is thought to be conservative. The developer has indicated that the total square footage of all restaurants should not exceed 47,000 sf so we have shown a separate calculation at the bottom of the tables using that factor and it equates fairly well with the 50 gpd/seat used in the Original Demand Estimate (about 10% lower). Attached in the appendices are some studies researched on restaurant water use and the data ranges are quite substantial ranging from 350-900 gpd/ksf and 20-53 gpd/seat, with these figures including some irrigation use. But the data does suggest the 50 gpd/seat and 1,000 gpd/ksf is at the extreme high end of the range (see circled data in appendix backup sheets). For the Conservation Demand Estimate, we have assumed a 30% reduction over the conservative factors used in the Original Demand Estimate, based on more middle of the road range and the fact that all fixtures will be per new building codes and very water efficient compared to the high end of the range factors used in the Original Demand Estimate (see appendix where a Largo, FL restaurant retrofitted their restrooms alone and saved 31%).

The retail demand factor of 100 gpd/ksf was left the same in both estimates as it could vary depending on the end user. Without more precise information on the end user this factor was felt to be appropriate.

A small amount of the project space is office and that was reduced in the Conservation Estimate based on Irvine Ranch Water District demand factors from their Water Resources Master Plan (Table 3-1, copy provided in appendices). This factor was reduced from 220 gpd/ksf to 60 gpd/ksf.

Conclusion

The Original Demand Estimate totaled 149 acre-feet per yer (AFY) and conservatively the Conservation Demand Estimate should be approximately 80 AFY. We would request that the District review this data and confirm or provide comments so the developer can proceed with the project and work with the District to ensure the appropriate supply of water.

Original Water Demand Estimate

	Quantity	Unit	Flow (gpd)	Unit of Measure	Water Use	
					gpd	AFY
Hotel A	270	Rooms	150	per room	40,500	45.4
Restaurant/Bar	96	Seats	50	per seat	4,800	5.4
Meeting Rooms/Ballroom	799	Seats	5	per seat	3,995	4.5
Hotel B	202	Rooms	150	per room	30,300	33.9
Building 1						
Restaurant	251	Seats	50	per seat	12,550	14.1
Retail	21,548	sf	100	per ksf	2,155	2.4
Building 2						
Restaurant	269	Seats	50	per seat	13,450	15.1
Retail	26,582	sf	100	per ksf	2,658	3.0
Building 3						
Restaurant	99	Seats	50	per seat	4,950	5.5
Retail	13,589	sf	100	per ksf	1,359	1.5
Building 4						
Restaurant	305	Seats	50	per seat	15,250	17.1
Retail	25,916	sf	100	per ksf	2,592	2.9
Office	6,106	sf	220	per ksf	1,343	1.5
					135,902	152.2

Total Restaurant from above						57.1
Total Restaurant	47,000	sf	1,000	per ksf	47,000	52.6

Conservation Water Demand Estimate

	Quantity	Unit	Flow (gpd)	Unit of Measure	Water Use	
					gpd	AFY
Hotel A	270	Rooms	50	per room	13,500	15.1
Restaurant/Bar	96	Seats	35	per seat	3,360	3.8
Meeting Rooms/Ballroom	799	Seats	5	per seat	3,995	4.5
Hotel B	202	Rooms	50	per room	10,100	11.3
Building 1						
Restaurant	251	Seats	35	per seat	8,785	9.8
Retail	21,548	sf	100	per ksf	2,155	2.4
Building 2						
Restaurant	269	Seats	35	per seat	9,415	10.5
Retail	26,582	sf	100	per ksf	2,658	3.0
Building 3						
Restaurant	99	Seats	35	per seat	3,465	3.9
Retail	13,589	sf	100	per ksf	1,359	1.5
Building 4						
Restaurant	305	Seats	35	per seat	10,675	12.0
Retail	25,916	sf	100	per ksf	2,592	2.9
Office	6,106	sf	60	per ksf	366	0.4
					72,425	81.1

Total Restaurant from above				40.0
Total Restaurant	47,000 sf		700 per ksf	32,900 36.8

Assumes hotel rooms with new water conserving fixtures and approximately 80% occupancy average based on Hotel Study conducted in San Francisco and Napa.

Assumes restaurants achieve 30% savings over original estimate based on attached data.

Hotel Water Demand Data

Hotel	Location	Rooms	Kitchen	Laundry	Pool	Fixtures	gpd ¹	gpd/room
Adagio	SF	171	Medium	No	No	New	12,384	72
Post CY	SF	172	Small	No	No	New	7,757	45
Hotel CA	SF	98	Large	Yes	No	Old	12,716	130
Hyatt FW	SF	316	Large	Yes	Yes	Old	42,137	133
Hampton Inn	SF	174	Small	No	No	New	9,447	54
Hotel Ivy	Napa	115	Small	Yes	Yes	New	8,671	75

1,046

93,112

Average All Hotels 89

Hotels with New Fixtures 61

All Hotels - Adjusted to 75% Occupancy (average annual) 67

Hotels with New Fixtures - Adjusted to 75% Occupancy (average annual) 45

1) Meter reads taken during peak month where occupancy averaged approximately 90% and gpd was factored up to represent absolute peak at 100% occupancy.

APPENDICES
BACKUP DATA

L.A. CO. SAN. DIST.

SEWER

TABLE 1
LOADINGS FOR EACH CLASS OF LAND USE

<u>DESCRIPTION</u>	<u>UNIT OF MEASURE</u>	<u>FLOW</u> (Gallons per Day)	<u>COD</u> (Pounds per Day)	<u>SUSPENDED</u> <u>SOLIDS</u> (Pounds per Day)
RESIDENTIAL				
Single Family Home (LD)	Parcel	260	1.22	0.59
Duplex (SFA)	Parcel	312	1.46	0.70
Triplex (MD)	Parcel	468	2.19	1.05
Fourplex	Parcel	624	2.92	1.40
Condominiums (HD)	Parcel	195	0.92	0.44
Single Family Home (reduced rate)	Parcel	156	0.73	0.35
Five Units or More (APTS)	No. of Dwlg. Units	156	0.73	0.35
Mobile Home Parks	No. of Spaces	156	0.73	0.35
COMMERCIAL				
Hotel/Motel/Rooming House	Room	125	0.54	0.28
Store	1000 ft ²	100	0.43	0.23
Supermarket	1000 ft ²	150	2.00	1.00
Shopping Center	1000 ft ²	325	3.00	1.17
Regional Mall	1000 ft ²	150	2.10	0.77
Office Building	1000 ft ²	200	0.86	0.45
Professional Building	1000 ft ²	300	1.29	0.68
Restaurant	1000 ft ²	1,000	16.68	5.00
Indoor Theatre	1000 ft ²	125	0.54	0.28
Car Wash				
Tunnel - No Recycling	1000 ft ²	3,700	15.86	8.33
Tunnel - Recycling	1000 ft ²	2,700	11.74	6.16
Wand	1000 ft ²	700	3.00	1.58
Financial Institution	1000 ft ²	100	0.43	0.23
Service Shop	1000 ft ²	100	0.43	0.23
Animal Kennels	1000 ft ²	100	0.43	0.23
Service Station	1000 ft ²	100	0.43	0.23
Auto Sales/Repair	1000 ft ²	100	0.43	0.23
Wholesale Outlet	1000 ft ²	100	0.43	0.23
Nursery/Greenhouse	1000 ft ²	25	0.11	0.06
Manufacturing	1000 ft ²	200	1.86	0.70
Dry Manufacturing	1000 ft ²	25	0.23	0.09
Lumber Yard	1000 ft ²	25	0.23	0.09
Warehousing	1000 ft ²	25	0.23	0.09
Open Storage	1000 ft ²	25	0.23	0.09
Drive-in Theatre	1000 ft ²	20	0.09	0.05

TABLE 1

(continued)

LOADINGS FOR EACH CLASS OF LAND USE

<u>DESCRIPTION</u>	<u>UNIT OF MEASURE</u>	<u>FLOW</u> (Gallons per Day)	<u>COD</u> (Pounds per Day)	<u>SUSPENDED</u> <u>SOLIDS</u> (Pounds per Day)
COMMERCIAL				
Night Club	1000 ft ²	350	1.50	0.79
Bowling/Skating Club	1000 ft ²	150	1.76	0.55
Auditorium, Amusement Golf Course, Camp, and Park (Structures and Improvements)	1000 ft ²	125	0.54	0.27
Recreational Vehicle Park	No. of Spaces	350	1.50	0.79
Convalescent Home	Bed	100	0.43	0.23
Laundry	1000 ft ²	55	0.34	0.14
Mortuary/Cemetery	1000 ft ²	125	0.54	0.28
Health Spa, Gymnasium With Showers	1000 ft ²	3,825	16.40	8.61
Without Showers	1000 ft ²	100	1.33	0.67
Convention Center, Fairground, Racetrack, Sports Stadium/Arena	Average Daily Attendance	10	0.04	0.02
INSTITUTIONAL				
College/University	Student	20	0.09	0.05
Private School	1000 ft ²	200	0.86	0.45
Church	1000 ft ²	50	0.21	0.11

Home Page → Water Conservation → ICI Water Conservation → Hotel Case Study

Hotel case study

Manufacturer

[Case study](#)

[Checklist](#)

Hotel/motel

[Case study](#)

[Checklist](#)

Restaurant

[Case study](#)

[Checklist](#)

Office building

[Case study](#)

[Checklist](#)

School

[Case study](#)

[Checklist](#)

Hospital

[Case study](#)

[Checklist](#)

A Tampa hotel saves 35% of its water use!

Following a comprehensive water use evaluation, a Tampa, Florida hotel was given the following recommendations for water conservation:

Bathroom retrofits

- replacing toilets with new 1.6 gallon per flush models
- installing lavatory aerators
- replacing showerheads with 2.0 gallon per minute models

Potential savings of 0.9 million gallons of water and \$5,093 each year!

Cooling adjustments

- adjustment of conductivity up to a higher level that could still provide reliable service while using less water

Potential savings of 1.2 million gallons of water and *\$7,134 each year!*

Irrigation modifications

- reduction of irrigation time
- application of other appropriate measures

Potential savings of 4.5 million gallons of water and *\$8,833 each year!*



Summary of Restaurant Water Use Coefficients from Various Studies

Source: H.W. (Bill) Hoffman & Associates, LLC

Source of Information	Best Gal./ Meal	Avg. Gal./ Meal	Gal./ sq. ft./ Year	Best Gal./ Seat/ Day	Avg. Gal./ Seat/ Day
Florida (Univ of Fl.) Restaurant			270		
Florida (Univ of Fl.) Fast Food			240		
Colorado Study (Brendle Group)	9 to 12		192	29	53
USA (2000 AWWARF CI End Use Study)			130 to 331	20 to 30	
Boulder Colorado	8 to 9		125		49
Danamark (Canada)					
U of Kansas (M. Vanschenkhof)		12.8	266		
South Australia study and Sydney Water		9 to 12			
North Carolina ICI BMP					20 to 40
Austin Study (Full Svc.) 2013			173		31
Austin Study (Fast Food) 2013			257		39

These all include small amount of landscaping.

8-12 g/meal

0.35 - 0.90
gal/sf/day

20-53 g/seat

**Table 5-2:
Guide for Non-Residential Water Demand**

Type of Establishment	Water Used (<i>gpd</i>)
Airport (per passenger)	3 - 5
Apartment, multiple family (per resident)	50
Bathhouse (per bather)	10
Boardinghouse (per boarder)	50
Additional kitchen requirements for nonresident boarders	10
Camp:	
Construction, semipermanent (per worker)	50
Day, no meals served (per camper)	15
Luxury (per camper)	100 - 150
Resort, day and night, limited plumbing (per camper)	50
Tourist, central bath and toilet facilities (per person)	35
Cottage, seasonal occupancy (per resident)	50
Club:	
Country (per resident member)	100
Country (per nonresident member present)	25
Factory (gallons per person per shift)	15 - 35
Highway rest area (per person)	5
Hotel:	
Private baths (2 persons per room)	50
No private baths (per person)	50
Institution other than hospital (per person)	75 - 125
Hospital (per bed)	250 - 400
Lawn and Garden (per 1000 sq. ft.)	600
Assumes 1-inch per day (typical)	
Laundry, self-serviced (gallons per washing [per customer])	50
Livestock Drinking (per animal):	
Beef, yearlings	20
Brood Sows, nursing	6
Cattle or Steers	12
Dairy	20
Dry Cows or Heifers	15
Goat or Sheep	2
Hogs/Swine	4
Horse or Mules	12
Livestock Facilities	
Dairy Sanitation (milkroom)	500
Floor Flushing (per 100 sq. ft.)	10
Sanitary Hog Wallow	100
Motel:	
Bath, toilet, and kitchen facilities (per bed space)	50
Bed and toilet (per bed space)	40
Park:	
Overnight, flush toilets (per camper)	25
Trailer, individual bath units, no sewer connection (per trailer)	25
Trailer, individual baths, connected to sewer (per person)	50
Picnic:	
Bathhouses, showers, and flush toilets (per picnicker)	20
Toilet facilities only (gallons per picnicker)	10

Type of Establishment	Water Used (gpd)
Poultry (per 100 birds):	
Chicken	5 - 10
Ducks	22
Turkeys	10 - 25
Restaurant:	
Toilet facilities (per patron)	7 - 10
No toilet facilities (per patron)	2-1/2 - 3
Bar and cocktail lounge (additional quantity per patron)	2
School:	
Boarding (per pupil)	75 - 100
Day, cafeteria, gymnasiums, and showers (per pupil)	25
Day, cafeteria, no gymnasiums or showers (per pupil)	20
Day, no cafeteria, gymnasiums or showers (per pupil)	15
Service station (per vehicle)	10
Store (per toilet room)	400
Swimming pool (per swimmer)	10
Maintenance (per 100 sq. ft.)	
Theater:	
Drive-in (per car space)	5
Movie (per auditorium seat)	5
Worker:	
Construction (per person per shift)	50
Day (school or offices per person per shift)	15

Source: Adapted from *Design and Construction of Small Water Systems: A Guide for Managers*, American Water Works Association, 1984, and *Planning for an Individual Water System*. American Association for Vocational Instructional Materials, 1982.

WATER USAGE ESTIMATING CHARTS

For Water Treatment Equipment

APARTMENTS (Est. people per apartment @ 50 gal. per person)

NUMBER OF APARTMENTS	5	10	15	20	30	40	50
Total Water Usage (Gal./Day)	750	1,500	2,500	3,000	4,500	6,000	7,500
Estimated Total Flow (gpm) - Flush Valves	53	70	85	95	115	133	150
Estimated Total Flow (gpm) - Flush Tanks	25	38	50	57	73	90	105
Hot & Cold - Toilets Bypassed (Gal./Day)	390	960	1,350	1,800	2,700	3,600	4,500
Estimated Hot & Cold Flow (gpm)	18	28	37	45	55	65	75
Hot Water Only (Gal./Day)	250	500	750	1,000	1,500	2,000	2,500
Estimated Hot Flow (gpm)	14	24	30	38	47	55	62

MOTELS & TRAILER PARKS (Est. 2-1/2 people per unit @ 40 gal. per person)

NUMBER OF UNITS	25	50	75	100	200	300	400
Total Water Usage (Gal./Day)	2,500	5,000	7,500	10,000	20,000	30,000	40,000
Estimated Total Flow (gpm) - Flush Valves	100	135	165	195	305	405	475
Estimated Total Flow (gpm) - Flush Tanks	55	85	115	145	225	305	375
Hot & Cold - Toilets Bypassed (Gal./Day)	1,250	2,500	3,750	5,000	10,000	15,000	20,000
Estimated Hot & Cold Flow (gpm)	37	55	70	85	145	95	235
Hot Water Only (Gal./Day)	850	1,700	2,500	3,350	6,700	10,000	13,400
Estimated Hot Flow (gpm)	30	47	60	70	115	157	195

SCHOOLS (Est. 25 gal./day per Student). SEE "FLOW RATE ESTIMATING CHART" on page 2 for flow (gpm).

NUMBER OF UNITS	100	200	300	400	600	800	1,000
Total Water Usage (Gal./Day)	2,500	5,000	7,500	10,000	15,000	20,000	25,000
Hot & Cold - Toilets Bypassed (Gal./Day)	1,500	3,000	4,500	6,000	9,000	12,000	15,000
Estimated Hot & Cold Flow (gpm)	830	1,700	2,500	3,300	5,000	6,700	8,300

RESTAURANTS

See FLOW RATE EST. CHART for flow (gpm).

Total Water Usage	8 gal./patron
Food Prep. Only (Hot & Cold)	3 gal./patron
Food Prep. Only (Hot)	1-1/2 gal./patron
Cocktail Bar Facilities	2 gal./patron

HOSPITALS

National average water usage for hospitals is 250 gal./day per bed.
Consult hospital for more accurate figures.

COMMERCIAL

1. Obtain capacity (lbs.) from customer or table found below.
2. Calculate USAGE (gal./cycle) and FLOW RATE (gpm) from formulas A & B.

FORMULA A: Capacity (lbs.) x 2-1/2 = Gallons/Cycle

FORMULA B: $\frac{\text{Capacity (lbs.)}}{2} = \text{Flow Rate (gpm)}$

CLOTHES

WASHER

Tumbler Size (In.)	Clothes Capacity (lbs.)	Tumbler Size (In.)	Clothes Capacity (lbs.)	Tumbler Size (In.)	Clothes Capacity (lbs.)	Tumbler Size (In.)	Clothes Capacity (lbs.)
30 x 16	25	36 x 42	125	42 x 96	400	44 x 126	575
24 x 36	48	36 x 54	165	42 x 108	450	48 x 84	460
30 x 30	60	42 x 42	175	42 x 126	510	48 x 96	535
30 x 36	70	42 x 48	200	44 x 54	245	48 x 120	680
30 x 42	80	42 x 54	225	44 x 64	300	48 x 126	715
30 x 48	95	42 x 64	265	44 x 72	330	54 x 84	600
36 x 60	90	42 x 72	300	44 x 48	385	54 x 96	680
36 x 36	110	42 x 84	350	44 x 96	440	60 x 96	900

Baseline Water Consumption Worksheet

If you have your utility bill or regular water meter readings for your facility

1. Gather the bills or meter readings for a 12-month period (or as close as possible).
2. Calculate the average gallons consumed in one day:
 - You will probably have to convert your measurements from cubic feet (what most water meters and bills are measured in) to gallons. $1 \text{ ft}^3 = 7.48 \text{ gal}$.
 - In some cases, water consumption may be very low on days when no one is in the facility (i.e. weekends and holidays). If this is the case at your facility, consider calculating average consumption per workday.
Keep in mind that in some situations HVAC systems and other machinery (like water-cooled refrigerators, vending machines, and icemakers) may consume water regardless of occupancy. Find out if these machines are or are not turned off on weekends and holidays and consider this information in your calculations.
 - Consider calculating average consumption per shift, or another increment that may be more useful in determining your maximum times and areas of water consumption.
3. Create a spreadsheet to display and analyze your data. The Baseline Spreadsheet Template is available as an aid.
4. Also, consider calculating the estimated water consumption based on the guidelines below, to compare your actual water consumption to the estimated guidelines for a similar facility.

If you do not have accurate water meter readings

Consider the following estimated consumption guidelines to calculate your approximate water consumption per day of operation.

Note: If you must use this table, you will have only an estimated water consumption value for your baseline on the plan template. Without actual bills or water meter readings, calculating the actual average consumption is impossible.

Facility Estimation Guidelines

Facility Type	Gallons per Day
Auditorium	5 g per seat
Camp – construction camp	60 g per person
Camp – summer camp	55 g per person
Campground (no water or sewer hookups)	100 g per campsite
Campground (with hookups)	120 g per campsite
Day Care	15 g per person
Factory (not including industrial waste)	25 g per person per shift
Hospital	300 g per bed
Institution (with residents)	100 g per person
Laundry	400-500 g per standard-size machine
Marina (no bathhouse)	10 g per boat slip
Marina (with bathhouse)	30 g per boat slip
Motor pool	300 g per car washed
Office buildings (without cafeteria)	25 g per employee
Restaurant – 24 hour	50 g per seat
Restaurant – standard (or cafeteria)	35 g per seat <i>or</i> 15 g per 15 ft ²

Restaurant –food stand	50 g per 100 ft ² of total floor space
School –boarding school	60 g per student
School –day school (no cafeteria or showers)	10 g per student
School –day school (with cafeteria)	12 g per student
School –day school (with cafeteria, showers, gym)	15 g per student
Service station	1000 g for first bay or pump island 500 g per additional bay/pump island
Stadium	5 g per seat
Swimming pool	10 g per swimmer
Swimming pool (with hot water shower)	13 g per swimmer

Data compiled from:

NC Division of Water Quality’s regulations on Wastewater Not Discharged to Surface Waters, pages 37-39.

(<http://h2o.enr.state.nc.us/admin/rules/2H.0200.pdf>)

Residential Water Use Research Project of the Johns Hopkins University and the Office of Technical Studies of the Architectural Standards Division of the Federal Housing Administration, 1963. Found on page 79 of Water Supply and Pollution Control, 6th Edition, W. Viessman, 1998.

The Community Water Systems Source Book, 5th Edition. Table 1.

Toilet Estimation Guidelines

When Manufactured	Gravity Tank Type	Flush Valve Type
Before 1977	5.0 – 7.0 gpf	4.5 – 5.0 gpf
1977 to mid 1990’s	3.5 gpf (some 5.0 gpf)	3.5 gpf
After mid 1990’s	1.6 gpf maximum	1.6 gpf maximum

*gpf = gallons per flush

Water Efficiency Manual for Commercial, Industrial, and Institutional Facilities. “Water Management Options: Sanitary and Domestic.” P.31.

⁶ Ice used per meal was about 1.5 lbs and icemaker water use of 1 gal/lb was assumed (note that one gallon of water produces only one pound of ice because, during the process, several gallons are lost to bleed-off.

⁷ ASHRAE 1994

⁸ Assuming the restaurant uses about 25 gallons each time it cleans the floor and counters and it does this twice daily.

⁹ The restaurant uses 100 gallons daily in other uses including laundry and landscaping (about 5 percent of total use). The restaurant does not have a cooling tower.

Our comparison of the GED-derived and modeled estimates is shown in Table E-19 below.

Table E-19
Comparison of Estimates of Water Use in a Typical Restaurant

	GED-derived (gallons/meal)	Model 1 (typical use)	Model 2 (efficient use)
Total	12.9 ¹	9.9	7.0

gallons/meal

¹ Using 163 TAF in 2000 for SIC code 58 and dividing this by the number of meals per day and then by 365 days in a year, we got about 12.9 gal/meal.

Estimate of Potential Savings

By applying the conservation potential calculated in the end use studies (see Appendix D) to our GED-derived estimates of water use, we estimated potential water savings (shown in Table E-20).

Table E-20
Potential Water Savings in the Restaurant Industry (2000)

End Use	Water Use (TAF)	Conservation Potential (percent)			Conservation Potential (TAF)		
		Low	High	Best	Low	High	Best
Landscaping ¹	9.8	38%	53%	50%	3.7	5.2	4.9
Cooling	3.3	9%	41%	26%	0.3	1.4	0.8
Kitchen	75.0	20%	20%	20%	14.9	14.9	14.9
Restrooms	55.4	46%	46%	46%	25.2	25.2	25.2
Other ²	19.6	0%	25%	10%	0.0	4.9	2.0
Total	163.0	27%	32%	29%	44.0	51.5	47.7

¹ Based on our modeled landscaping use, we assumed that about 18 TAF, or 4 percent, of total restaurant use is used for landscaping. The remaining 13 TAF, or 6 percent, of the other/landscaping category was used for other purposes. See

Appendix D for more information on landscaping.

² Range assumed

Table E-17
Number of Meals Served in California (2000), Method Two

Data	Source	Value (2000)
A) Population in California in 2000	US Census Bureau	33,800,000
B) Meals eaten out/week	Restaurant USA	4.2
C) Total meals/day in California	A*B/7	18,200,000
D) Fraction of meals eaten at cafeterias (not in SIC code 58)	Fraction of establishments not included in SIC code 58	25% ¹
E) Meals in SIC code 58	C*(1-D)	13,700,000
F) Percentage of drive-through meals	Restaurant USA	18%
G) Number of drive-through meals	D*E	2,500,000
H) Sit-down meals/day in restaurants	D-F	11,200,000

¹ We used the number of establishments (74,000) published by the California Restaurants Association (www.calrest.org). The number listed under SIC code 58 (57,000), is about 77 percent of the total restaurants.

To model the water use in a medium-sized restaurant, we considered a food establishment with 25 employees and 60 seats. The meal turnover industry average of 5 meals/seat/day (or 250 meals/day) (LADWP, 1991 (a & b), MWD, 1992, MWRA, 1990) was applied to end-use data from Appendix D.

Table E-18
Modeled Daily Water Use in Restaurants (2000)

Water End Use	Volume ¹	Times Per Day ¹	Use Gal/Day	Use Gal/Meal/Day	Use Efficient Gal/Meal/Day ²
Dishwasher					
Pre-rinse nozzles	2.5 gpm	60 min	150	0.6	0.40
Pot and pan sink	40 gal	3 sinks * 2 fills ³	300	1.20	1.20
Garbage disposal	4.5 gpm	30 min	135	0.54	0.20
Dishwasher	2.4 gal/rack	0.5 racks/meal, 70 percent capacity ⁴	429	1.71	0.79
Restrooms⁵					
Employee use restrooms	2.8 gal/visit	25 employees * 4.6 visits/day gal/day	322	1.3	0.72
Customer use restrooms	2.7 gal/visit	250 customers * 50 percent of customers	338	1.4	0.79
Food Prep					
Preparation sink	15 gal	2 fills/day	30	0.12	0.12
Water used in food	0.5 gal/meal	250 meals/day	125	0.50	0.50
Icemaker					
Ice maker	1 gal/lb ⁶	1.5 lb/meal ⁷ *250 meals	338	1.5	1.2
General Sanitation					
Floor wash	12 gal/clean	3 cleans ⁸	36	0.14	0.14
Other ⁹	30 gal		125	0.50	0.50
Miscellaneous	100 gal		100	0.40	0.40
Total			25,607	9.91	6.96

¹ Volume and use were estimated from data in several case studies (LADWP, 1991 (a & b), MWD, 1992, MWRA, 1990), except where otherwise noted.

² See Appendix D

³ Three pot sinks of 50 gallons capacity are filled and emptied twice daily.

⁴ The amount of dishes generated was assumed to be 2.5 racks/guest (Bohlig 2002).

⁵ See Appendix D.

Home Page → Water Conservation → ICI Water Conservation → Restaurant Case Study

Restaurant case study

Manufacturer

[Case study](#)

[Checklist](#)

Hotel/motel

[Case study](#)

[Checklist](#)

Restaurant

[Case study](#)

[Checklist](#)

Office building

[Case study](#)

[Checklist](#)

School

[Case study](#)

[Checklist](#)

Hospital

[Case study](#)

[Checklist](#)

A Largo, FL restaurant saves 31% of its water use

Following a comprehensive water use evaluation, a Largo, Florida restaurant was given the following recommendations for water conservation:

Bathroom retrofits

- replacing toilets with new 1.6 gallon per flush models
- installing lavatory aerators that reduced the water flow from 2.7 to 1.5 gallons per minute

Potential savings of 700,00 gallons of water and *\$3,860 each year!*

Kitchen retrofits

- replacement of 2.8 gallon per minute automatic shut off spray nozzles with 2.0 gallon per minute models

Potential savings of 12,000 gallons of water and *\$84 each year!*

Kitchen modifications

- 50% flow reduction in dipper well and continuous flow sink

Potential savings of 550,000 gallons of water and *\$4,035 each year!*



Code	Land Use description	Land Use		Local Demands			Irrigation Demands	
		Agency	Average Density	Local Interior	Local Exterior	Total	% Irrigated Area	Irrigation Factor
1100	Residential		<u>DU/Ac</u>		<u>Gal/DU/Day</u>			<u>Gal/Ac/Day</u>
1111	Res - Rural Density	Orange	0.30	300	750	1,050	5	2,800
1121	Res - Estate Density	Orange	1.20	300	300	600	8	2,900
1131	Res - Low Density	Orange	4.00	300	300	600	15	2,900
1141	Res - Low-Medium Density	Orange	10.50	200	100	300	22	3,300
1161	Res - Medium Density	Orange	19.50	225	185	410	17	3,100
1122	Res - Estate Density	Irvine	0.50	300	600	900	7	2,800
1132	Res - Low Density	Irvine	3.00	225	180	405	16	3,000
1162	Res - Medium Density	Irvine	7.50	200	110	310	20	3,100
1172	Res - Medium-High Density	Irvine	17.50	165	15	180	25	3,600
1182	Res - High Density	Irvine	32.50	180	20	200	20	3,300
1192	Res - High-Rise Density	Irvine	40	180	20	200	20	3,300
1133	Res - Low Density	Newport Beach	1.00	250	190	440	17	3,100
1153	Res - Medium-Low Density	Newport Beach	2.75	250	200	450	10	2,800
1163	Res - Medium Density	Newport Beach	5.00	190	60	250	22	3,300
1183	Res - High Density	Newport Beach	12.25	155	20	175	25	3,600
1134	Res - Low Density PC	Tustin	4.50	225	185	410	17	3,100
1164	Res - Medium Density PC	Tustin	11.80	155	15	170	25	3,600
1184	Res - High Density PC	Tustin	17.40	135	15	150	15	3,700
1115	Res - Rural Density	County	0.26	300	750	1,050	5	2,800
1135	Res - Suburban Density	County	9.25	225	180	405	16	3,000
1175	Res - Urban Density	County	29.00	165	15	180	25	3,600
1126	Res - Estate Density	Lake Forest	0.50	300	600	900	7	2,800
1136	Res - Low Density	Lake Forest	3.00	225	180	405	16	3,000
1166	Res - Medium Density	Lake Forest	7.50	200	110	310	20	3,100
1176	Res - Medium-High Density	Lake Forest	17.50	165	15	180	25	3,600
1186	Res - High Density	Lake Forest	32.50	180	20	200	20	3,300
1200	Commercial		<u>KSF/Ac</u>		<u>Gal/KSF/Day</u>			<u>Gal/Ac/Day</u>
1210	Comm - General Office		25.00	56	4	60	30	4,000
1221	Comm - Community		9.09	209	11	220	30	3,500
1222	Comm - Regional		10.53	180.5	9.5	190	20	5,000
1230	Comm - Recreation		8.33	54	6	60	30	4,500
1240	Comm - Institutional		8.88	39.38	5.62	45	50	2,750
1244	Comm - Hospital		8.70	218.50	11.50	230	25	2,850
1260	Comm - School		13.33	14.25	0.75	15	50	2,500
1273	Comm - Military Air Field							
1300	Industrial		<u>KSF/Ac</u>		<u>Gal/KSF/Day</u>			<u>Gal/Ac/Day</u>
1310	Industrial - Light		25.00	56	4	60	25	4,000
1320	Industrial - Heavy		25.00	4,500	500	5,000	25	4,000
	Open Space & Other							<u>Gal/Ac/Day</u>
1820	Park - Community						90	3,400
1830	Park - Regional						85	2,100
2100	AG - Low-Irrigated						100	1,800
2110	AG - Low-Irrigated (TIC)						100	1,800
2200	AG - High-Irrigated						100	3,100
2210	AG - High-Irrigated (TIC)						100	3,100

Note: The database includes the following land use codes that do not use set factors or do not generate water demands:
 0 = area not served by IRWD; 1411 = Airports; 1413 = Freeway and Major Roads; 1850 = Park-Wildlife Preserve;
 1880 = Park-Open Space (Rec); 1900 = Vacant; 4100 = Water Body; 9100-9199 = Mixed Use (uses a combination of factors)

**C.3 REVIEW OF WATER DEMAND FOR PARALLAX GALE AVENUE
HOTEL/RETAIL SITE – RMC WATER AND ENVIRONMENT,
KyV- '15, 2016**

Technical Memorandum



Review of "Water Demand for Parallax Gale Avenue Hotel/Retail Site"

Subject: Review of "Water Demand for Parallax Gale Avenue Hotel/Retail Site"

Prepared For: Tom Coleman, General Manager

Prepared by: Chris Hewes, RMC

Reviewed by: Ricardo Vivas, RMC

Date: June 15, 2016

1 Summary

The purpose of this memo is to review the PSOMAS Technical Memorandum "Water Demand for Parallax Gale Avenue Hotel/Retail Site" (May 26, 2016) and evaluate the assumptions used to develop the new conservation values. The "original" approach refers to the demands generated by the developer (149 acre-feet per year (AFY)) while the "conservation" approach refers to the updated demands calculated by PSOMAS (81.1 AFY).

The largest difference in water consumption between original and conservation methods stems from the assumption used for the hotel rooms. PSOMAS primarily used the results of one study with six hotels. Looking at a few other sources, it appears the original value for hotels was too high and while the new conservation value is not out of the question, it may be a bit low. The remaining values used for restaurants, retail, and office space appear to be reasonable.

2 Hotel

The original estimate of a demand factor of 150 gpd/room is very large and higher than typical reported values. The 50 gpd/room value used in the conservation approach appears to be a bit low, but not necessarily out the question considering California's modern plumbing fixture standards.

Other per-room demand factors reported in the industry are listed below. None mention adjustments for occupancy rate, so they are assumed to be based on average occupancy.

- 102 gpd/room – EPA Portfolio Manager median reported valueⁱ
- ~60 gpd/room - best practice (efficient hotel) CIRIA study in UKⁱⁱ
- 106 gpd/room – Sydney Water (Australia) best practiceⁱⁱⁱ
- 95.4 gpd/room – Colorado Water Wise Council^{iv}
- 60 gpd/room – Amy Vickers Handbook of Water Use and Conservation^v
- 116.7 gpd/room (including irrigation and cooling use) – AWWA Research Foundation^{vi}

Table 1 shows the re-calculation of the total project demands using a per-room demand factor of 75 gpd/room. This raises the total project consumption from 81.1 AFY (conservation value) to 94.3 AFY.

Table 1 – Updated Conservation Water Demand Estimate

	Quantity	Units	Flow (gpd)	Unit of Measure	Water Use (gpd)	Water Use (AFY)
Hotel A	270	Rooms	75	per room	20,250	22.7
Restaurant/Bar	96	Seats	35	per seat	3,360	3.8
Meeting Rooms/Ballroom	799	Seats	5	per seat	3,995	4.5
Hotel B	202	Rooms	75	per room	15,150	17.0
Building 1						
Restaurant	251	Seats	35	per seat	8,785	9.8
Retail	21,548	sf	100	per 1000 sf	2,155	2.4
Building 2						
Restaurant	269	Seats	35	per seat	9,415	10.5
Retail	26,582	sf	100	per 1000 sf	2,658	3.0
Building 3						
Restaurant	99	Seats	35	per seat	3,465	3.9
Retail	13,589	sf	100	per 1000 sf	1,359	1.5
Building 4						
Restaurant	305	Seats	35	per seat	10,675	12.0
Retail	25,916	sf	100	per 1000 sf	2,592	2.9
Office	6,106	sf	60	per 1000 sf	366	0.4
SUM					84,225	94.3

On a side note, it is worth mentioning that there are also detailed EPA or Alliance for Water Efficiency Excel models which calculate consumption for hotels based on building square footage, types/calculated numbers of fixtures in guest rooms, kitchen equipment, laundry services, irrigation needs, etc. if a more detailed review is required.

3 Restaurant

The restaurant demand factor of 35 gpd/seat was found to be reasonable. PSOMAS came up with this value from a number of varied studies referenced in the conservation technical memorandum. The restaurant value is somewhat hard to determine in the first place without more information about the restaurants, so there is no reason to change the value further.

4 Retail

Keeping the 100 gpd/1000 sq ft estimate is a good idea due to absence of any additional information about the retail space.

One similar comparison from the industry is a 110 gpd/1000 sq ft value from the AWWA Research Foundation.^{vi}

5 Office

PSOMAS reduced the office demand factor from 220 gpd/1000 sq ft to 60 gpd/1000 sq ft based on the Irvine Ranch Water District's Water Resources Master Plan. The original value does appear to be too high compared to typical values while the new conservation value appears similar or even still a little high. Other area-based demand factors reported in the industry are listed below:

- 71-96 gpd/1000 sq ft - AWWA Research Foundation^{iv}
- ~40 gpd/1000 sq ft - best practice (efficient office) CIRIA study in UKⁱⁱ
- 56.8 gpd/1000 sq ft - Sydney Water (Australia) efficient office buildingⁱⁱⁱ

Independent of which demand factor is used, office demands are about 0.5%-1% of total project water consumption and do not play a large role in the total number. The new conservation number is reasonable and can be kept as-is.

ⁱ EPA. "Energy Star Portfolio Manager Data Trends: Water Use Tracking." October 2012. Retrieved from: https://www.energystar.gov/ia/business/downloads/datatrends/DataTrends_Water_20121002.pdf?2003-40fb

ⁱⁱ Waggett, R. and C. Arotzky. "Water Key Performance Indicators and benchmarks for offices and hotels." CIRIA. 2006. Retrieved from: <http://www.ciria.org/CMDownload.aspx?ContentKey=e740496d-e489-44fd-950e-284b87971a49&ContentItemKey=9c6b5a22-866f-40bb-9522-92e8400959ea>

ⁱⁱⁱ Sydney Water. "Benchmarks for water use." Retrieved from: <https://www.sydneywater.com.au/SW/your-business/managing-your-water-use/benchmarks-for-water-use/index.htm>

^{iv} The Brendle Group, Inc. "Benchmarking Task Force Collaboration for Industrial, Commercial, & Institutional (ICI) Water Conservation." June 2007. Colorado WaterWise Council.

^v Vickers, Amy. "Handbook of Water Use and Conservation." Waterplow Press. 2001.

^{vi} AWWA Research Foundation. "Commercial and Institutional End Uses of Water." 2000. Retrieved from: http://www.waterrf.org/PublicReportLibrary/RFR90806_2000_241B.pdf

C.4 RECOMMENDED EXPANDED SYSTEM

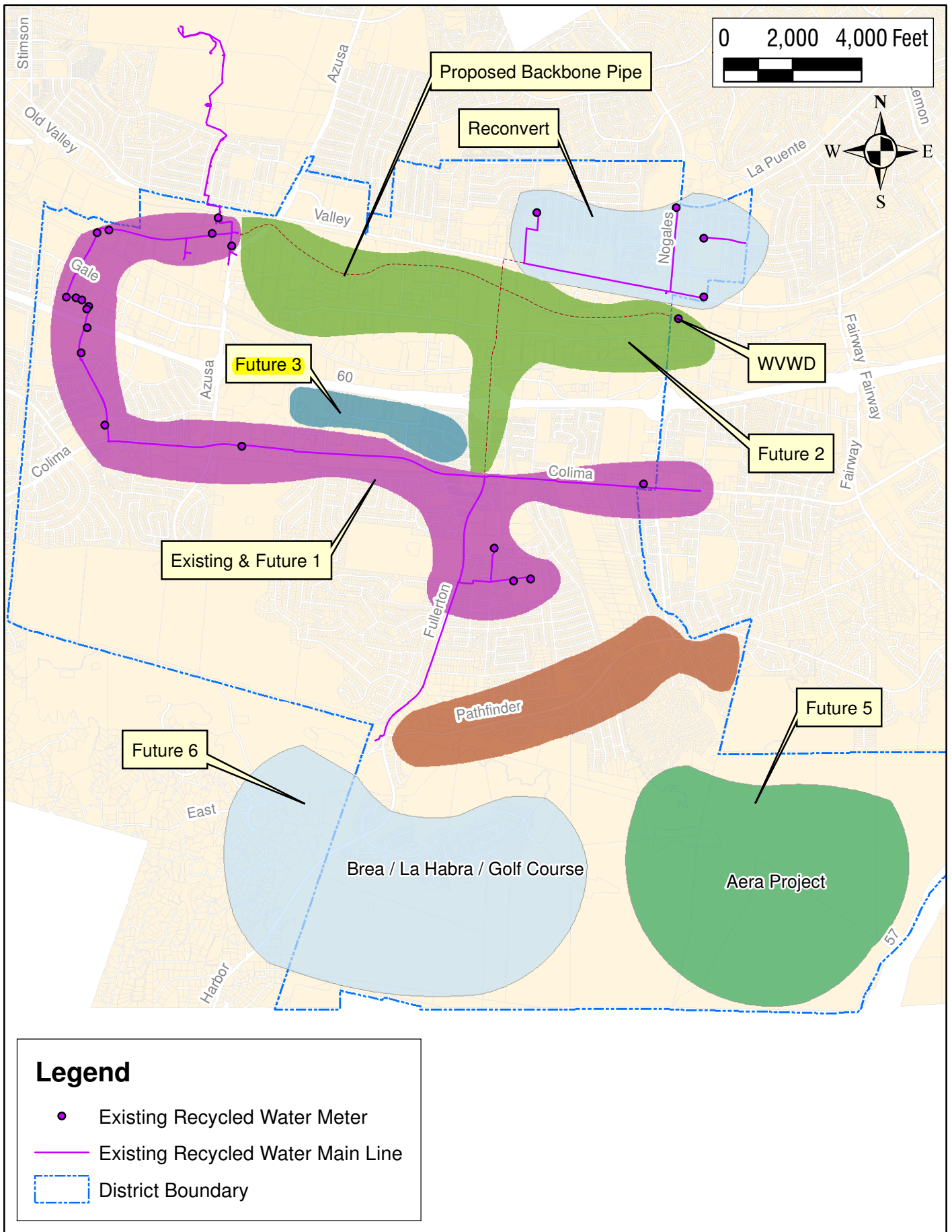
Table 5-1 2008 Use Sites by Phase

Expansion Category	Number of Sites	Cumulative Total Number of Sites
Existing		16
Existing (& Reconvert) Data	16	
<i>Existing Subtotal</i>	16	
Current		84
Future 1A	28	
Future 1B	6	
Future 2A	24	
Future 2C	10	
<i>Current Subtotal</i>	68	
Near-Term		203
Future 2B	118	
Power Plant	1	
Walnut Valley Water District	0	
<i>Near-Term Subtotal</i>	119	
Ultimate		252
Future 3	28	
Future 4	21	
Future 5 (Aera)	Unknown	
Future 6 (Brea/La Habra)	Unknown	
<i>Ultimate Subtotal</i>	49	

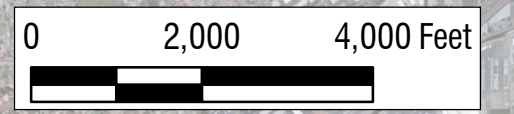
Figure 5-1 shows the areas that are proposed to receive RW for irrigation in the future. This working map of the proposed planning areas provides a visualization of the demand phasing implementation order (some demand phases were further divided into subsets, e.g., Future 2, 2A, 2B, etc.).

Refer to Chapter 4 for a detailed explanation of the development of annual, monthly, daily, and hourly demands.

Ultimate RW demands are summarized in Table 5-2. The potential demand summation was more than ten times larger than the demand summation for the 2008 Existing System. Figure 5-2 shows the location of the candidate RW use sites for the 2008 Recommended Expanded System. Some of the larger customers are described below.



2008 Candidate RW Use Site Planning Areas
FIGURE 5-1



Legend

Existing RW Use Sites Peak-Hour Demand

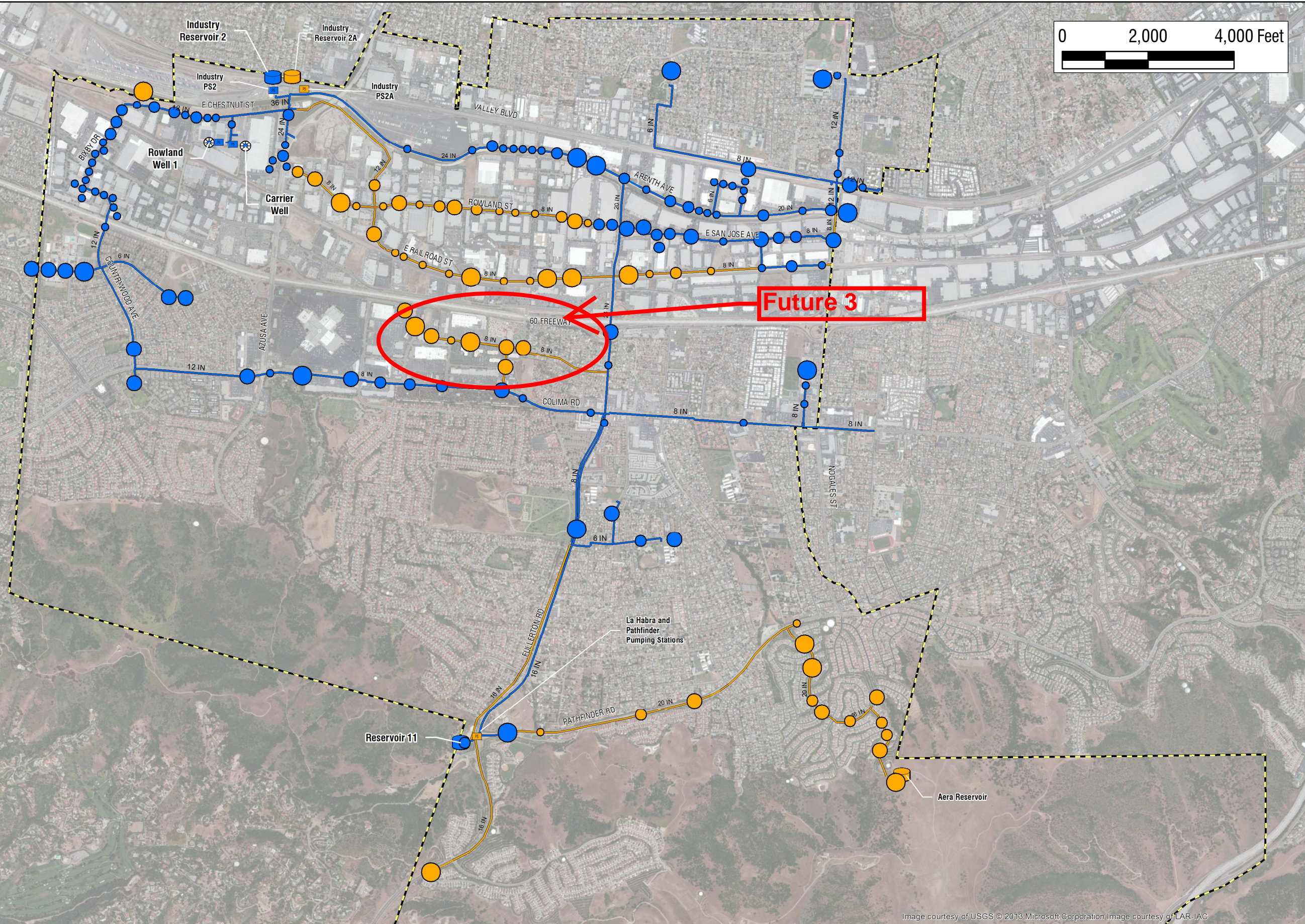
- < 8 gpm
- 8 - 20 gpm
- 20 - 50 gpm
- > 50 gpm

Ultimate RW Use Sites Peak-Hour Demand

- < 8 gpm
- 8 - 20 gpm
- 20 - 50 gpm
- > 50 gpm

Facilities

- Reservoir
- Well
- PS Pumping Station
- Pipeline
- District Boundary



Source: RWD RW Current tank2PW.H2O: 2012 | G:\Projects\200974 Rowland WD\map docs\mxd\mxd 12 2012 | Last Updated : 12-2012

Image courtesy of USGS © 2013 Microsoft Corporation Image courtesy of LAR-IAC

Table 5-2 2008 Projected Hourly Demands by Demand Phasing

Expansion Category	No. of Sites	Avg. Ann. (AF)	Avg. Ann. (GPM)	Peak Mo. (GPM)	Peak Hr. (GPM)
Existing					
Existing (& Reconvert)	16	347.2	215.3	455.6	1,366.9
<i>Existing Subtotal</i>	16	347.2	215.3	455.6	1,366.9
Current					
Future 1A	28	86.6	53.7	112.6	337.9
Future 1B	6	39.2	24.3	51.0	152.9
Future 2A	24	152.1	94.3	197.7	593.2
Future 2C	10	19.2	11.9	25.0	74.9
<i>Current Subtotal</i>	68	297.1	184.2	386.3	1,158.9
Cumulative Total	84	644.3	399.5	841.9	2,525.8
Near-Term					
Future 2B	118	301.5	186.9	392.0	1,175.9
Power Plant ^a	1	1,019.0	631.8	885.4	2,300.0
WVWD ^a	0	1,500.0	930.0	1950.2	5850.7
<i>Near-Term Subtotal</i>	119	2,820.5	1,748.7	3,227.6	9,326.6
Cumulative Total	203	3,464.8	2,148.2	4,069.5	11,852.4
Expanded					
Future 3	28	98.9	61.3	128.6	385.7
Future 4	21	136.4	84.5	177.3	531.9
Future 5 (Aera) ^a	Unknown	1,999.0	1,239.4	2,599.0	7,797.0
Future 6 (Brea/La Habra) ^a	Unknown	500.0	310.0	650.1	1,950.2
<i>Ultimate Subtotal</i>	49	2,734.2	1,695.2	3,555.0	10,664.9
Cumulative Total	252	6,199.0	3,843.4	7,624.5	22,517.3

a) Listed item represents a point of connection to future development projects or interagency connections. Total demand of connection provided by RWD.

A summary of the 2008 Recommended Expanded System facilities is provided in Table 5-10.

Table 5-10 2008 Facilities by Expansion Category

Existing	Pipeline (ft)	Well Stations (Flow, Head) ^a	Pumping Stations (Flow, Head)	Tanks (MG)
Existing	44,834	RWD (333, 500) Carrier (500, 400)	n/a	5.0 ^k
Existing Subtotal	44,834	-	-	-
Current & Near-Term	Pipeline (ft)	Well Stations (Flow, Head) ^a	Pumping Stations (Flow, Head)	Tanks (MG)
n/a	n/a	n/a	CI-3 units (3000, 350) ^b	n/a
Retrofit Area	11,279	-	-	-
Wedgeworth	3,339	-	-	-
Future 1	8,690 ^c	-	-	-
Epperson	1,989	-	-	-
Future 2A	0	-	-	-
Future 2	29,713 ^d	-	-	-
Arenth & WVWD	13,624 ^e	-	-	-
Power Plant	2,386 ^f	-	-	-
<i>Current & Near-Term Subtotal</i>	<i>71,020</i>	-	-	-
Ultimate	Pipeline (ft)	Well Stations (Flow, Head) ^a	Pumping Stations (Flow, Head)	Tanks (MG)
Future 3	6,136 ^g	-	-	-
Future 4	12,772 ^h	-	(350, 100)	1.1
Future 5 (Aera)	4,598 ⁱ	-	Fut 5 (2500, 100) Aera (4,000, 200)	5.5
Future 6 (Brea/La Habra)	3,853 ^j	-	Fut 6 (750, 400)	-
<i>Ultimate Subtotal</i>	<i>27,359</i>	-	-	-
Cumulative Total	143,213	-	-	-

- a) Flow units in gallons per minute, and head units in feet.
- b) City if Industry Pump Station contains 3 pumps designated for RWD usage.
- c) Transmission pipeline (running N-S) connects the proposed E-W transmission with the southern portion of the existing system providing a loop system for existing and Future 1 customers. It also provides interconnections to the proposed 8-inch RW distribution pipelines for Future 2 customers.
- d) Distribution pipelines connect Future 2 customers located between Highway 60 and Arenth Avenue.
- e) Proposed E-W transmission connects the Retrofit area and WVWD.
- f) Parallel pipeline connects existing system to the new power plant.
- g) Pipeline connects all future customers between Colima Avenue and Highway 60.
- h) Pipeline connects all future customers along Pathfinder Road at HGL of 830 feet.
- i) Pipeline connects all future customers along Ridgeview Avenue and Caroline Place at HGL of 1000 feet.
- j) Pipeline connects future connection to the Cities of La Habra and Brea.
- k) Reservoir No. 11 was converted from RWD's potable water system in 2004.

Table 5-11 provides pipeline lengths by diameter and expansion category.

Table 5-11 2008 Pipeline Diameters and Length by Expansion Category

	Existing	Diameter (inches)								
		4	6	8	12	16	20	24	27	Grand Total
	Existing	30	3,524	17,750	16,295	5,616		1,619		44,834
	Existing Total	30	3,524	17,750	16,295	5,616	0	1,619	0	44,834
	Current & Near-Term	Diameter (inches)								
		4	6	8	12	16	20	24	27	Grand Total
Length (ft)	Retrofit		3,372	4,450	3,457					11,279
	Arenth						5,119	8,505		13,624
	Wedgeworth			3,339						3,339
	Epperson		1,989							1,989
	Fullerton					260	871	7,559		8,690
	Power Plant				2,386					2,386
	Chestnut				4,020					4,020
	Rowland, Railroad, San Jose & Nogales			25,693						25,693
	Current & Near-Term Total	0	5,361	33,482	9,863	260	5,990	16,064	0	71,020
		Ultimate	Diameter (inches)							
			4	6	8	12	16	20	24	27
	Future 3			6,136						6,136
	Future 4					2,261	10,511			12,772
	Future 5		800			3,298			500	4,598
	Future 6					3,853				3,853
	Ultimate Total	0	800	6,136	0	9,412	10,511	0	500	27,359
	Cumulative Total	30	9,685	57,368	26,158	15,288	16,501	17,683	500	143,213

The phased expansion facilities are summarized on Figure 5-5.

APPENDIX D

**D.1 OFFICIAL TRANSCRIPT OF THE COUNTY OF LOS ANGELES
HEARING EXAMINER HEARING, FEBRUARY 25, 2016**

REGIONAL PLANNING COMMISSION HEARING

COUNTY OF LOS ANGELES

Thursday, February 25, 2016, 6:00 p.m.

Nogales High School, 401 South Nogales Street

La Puente, California

Reported By:

Teri E. Lingenfelter

CSR No. 5369

1 APPEARANCES:

2 Rosie O. Ruiz, Commission Secretary

3 Gina M. Natoli, Hearing Examiner

4 Kim Szalay, Staff

5 Steven Jones, Staff

6

7 Applicant Parties:

8 Stafford Lawson

9 Ken Smith

10 Gene Fong

11 Aaron Clark

12 Anne Doehne

13 David Schender

14

15 Public Speakers:

16 Teri Malkin

17 Kingdom Chew

18 Felix Chen

19 Ronald Mitchell

20 Karen Gerloff

21 Ted Ebenkamp

22 Wen-Tzu Davis

23 Edward Byrd

24 Lynne Ebenkamp

25 Chris Huaralcha

1 La Puente, California, Thursday, February 25, 2016

2 6:00 p.m. - 7:20 p.m.

3 ****

4 MS. NATOLI: Good evening. This Thursday,
5 February 25th, 2016 hearing examiner meeting is called to
6 order. Please rise and join me in the pledge of
7 allegiance.

8 (Pledge of Allegiance)

9 MS. NATOLI: Thank you and good evening. I'm
10 regional planning staff member Gina Natoli. I will be the
11 hearing examiner on all agenda items this evening.

12 First I'd like to go over some administrative
13 items before we begin.

14 Please turn off or silence all electronic
15 communication devices.

16 There is an agenda of today's proceedings
17 available. It's in the back of the room and either
18 Ms. Taylor or Ms. Gonzalez can help you with that.

19 It's also possible that there were materials
20 submitted after the release of documents for tonight's
21 hearing and if there are additional materials they're also
22 available in the back of the room.

23 There are established time limits for testimony
24 on hearing examiner agenda items. First the applicant
25 will have up to 15 minutes for presentation and if

1 necessary 10 minutes for rebuttal after testimony.

2 Speakers will have a maximum of three minutes
3 each and there is no ceding of time.

4 Testimony will be taken until all who wish to
5 speak or 8:00 is finished whichever comes first. And if
6 anyone wishes to testify today on any agenda item -- that
7 includes the public comment period -- you must fill out a
8 speaker card and please submit it in the back to either
9 Ms. Taylor or Ms. Gonzalez.

10 The general procedure for tonight's hearing is as
11 follows. First staff will make a brief presentation and
12 then the applicant will speak. After that we'll take
13 testimony from those in the audience and again, if
14 necessary, then I will hear rebuttal from the applicant.

15 Per the county code a hearing examiner does not
16 make decisions on agenda items. We administer the
17 meeting, we take testimony and we report that testimony to
18 the regional planning commission.

19 And for the public hearing notice for tonight's
20 meeting this public hearing is to take testimony on the
21 draft environment impact report. There will be a public
22 hearing on the project portion of this report along with
23 the draft EIR and that will be scheduled before the
24 regional planning commission.

25 That will be also noticed in accord with our

1 Title 22 procedures and if you want to receive notice of
2 the hearing please make sure you provide your contact
3 information to Mr. Jones at the testifier's table here and
4 he'll make sure you get on that list.

5 At this time if you intend to testify on any
6 agenda item please stand to be sworn in by staff.

7 Even if you don't think you're going to speak or
8 you're not sure go ahead and get sworn in. There's no
9 harm, no foul if you change your mind and decide you do
10 not wish to speak.

11 MR. SZALAY: Please put your right hand up.

12 Do you swear or affirm under penalty of perjury
13 that the testimony you may give in the matter now pending
14 before this hearing examiner shall be the truth, the whole
15 truth and nothing but the truth?

16 (Group response.)

17 MR. SZALAY: You may sit.

18 MS. NATOLI: Thank you, Mr. Szalay.

19 All right. We're moving on to Part 2 of the
20 agenda. Public hearing items. Item 2 is a request to
21 consider testimony on the draft EIR for Project
22 R201401529-4.

23 Mr. Jones, please proceed.

24 Let me just say while Mr. Jones is making the
25 presentation since I can't see and I want to make sure

1 everybody can see I'm going to move around to the front
2 and sit at the testifier's table next to Mr. Jones while
3 he's making his presentation.

4 MR. JONES: Good evening. My name is
5 Steven Jones of the land division section with the
6 department of regional planning.

7 I will present a brief overview of the
8 Rowland Heights Plaza and Hotel project as it is analyzed
9 in the draft environment impact report or the EIR.

10 The project number is R2014-01529 located in the
11 fourth supervisorial district. The applicants Rowland
12 (inaudible) Properties LLC and Parallax Investment
13 Corporation request a zone change vesting to the parcel
14 map condition use permit and parking permit to create and
15 develop three parcels for the Rowland Heights Plaza and
16 Hotel.

17 Environmental review No. T201400121 and state
18 clearing house No. 2015061003 reference the draft EIR
19 discussed today.

20 The project site is surrounded by the City of
21 Industry to the north and west and the Rowland Heights
22 community to the east and south. The existing land use
23 designation is industrial. No plan amendment is required
24 and neither is one necessary for the proposed project.

25 This site is zoned M-1-1/2 or 1.5 -- used

1 interchangeably -- BE restricted heavy manufacturing
2 billboard exclusion zone.

3 A zone change is requested to change the zone
4 from M-1-1/2 BE zoning to C-3DP zoning meaning general
5 commercial development program zone for 5.31 acres of the
6 parcel.

7 The site is a gently rolling topography parcel
8 developed with a temporary parking lot and a detour road
9 and construction staging for construction of the
10 Nogales Street grade separation and roadway widening
11 project by the Alameda Corridor East Construction
12 Authority.

13 The applicant is proposing to develop an
14 approximately 14.85 acre vesting tentative parcel map area
15 plus infrastructure improvements shown on the exhibit map.

16 The exhibit map includes new uses on both sides
17 as follows. Retail/commercial including office and
18 restaurant uses within condominium units in the east area
19 of the site on proposed Parcel 1. Subterranean parking is
20 also associated with buildings.

21 Community and gathering and common area and
22 historical themed area proposed as open space on proposed
23 Parcel 1, hotel uses within two of the attached structures
24 on Parcel 2 and Parcel 3 at the west area of the site.

25 A parking permit is required for reciprocal

1 access and shared parking. The onsite common area open
2 space amenity includes an historically themed area
3 proposed to be located adjacent to the parking and
4 circulation areas.

5 Circulation is provided by access from
6 Gale Avenue through two new driveway approaches, a
7 signalized central driveway at the parcel line between the
8 commercial center and hotels and a driveway at the western
9 site boundary.

10 There's also proposed access to the neighboring
11 commercial center from existing Sierra Drive Rowland Ranch
12 shopping center. Proposed pedestrian access is from
13 Gale Avenue.

14 The County of Los Angeles Department of
15 Regional Planning after consultation with other
16 departments determined that an EIR was the necessary
17 environmental document for the project. The analysis
18 contains the environment setting, methodology, threshold
19 of significance, project characteristics and design
20 features, project and cumulative impact analyses,
21 mitigation measures and conclusions regarding the level of
22 significance after mitigation for each of the
23 environmental issues identified.

24 The areas analyzed are shown on Volume One's
25 Table of Contents.

1 After all feasible project features and
2 mitigation measures have been considered there are areas
3 of analysis that remain significant and unavoidable.

4 Air quality, transportation and traffic have
5 remaining impacts.

6 A statement of overriding considerations would be
7 the requested document by the applicant for these
8 remaining impacts.

9 I conclude my presentation by summing up the
10 planning processes that remain for the final action to
11 take place on the project.

12 In addition to letters received to date along
13 with today's oral testimony the hearing examiner will
14 ensure that a staff report to the commission includes an
15 analysis of the proposal, proposed findings and
16 conditions, recommendations and other pertinent materials
17 to be submitted to the commission.

18 Further comments on a draft EIR will be received
19 through Thursday, March 11, 2016 at five o'clock p.m. when
20 the draft EIR public period comment closes. Excuse me.
21 When the draft EIR public comment period closes.

22 The final EIR including responses to public aid
23 agency comments will be prepared for the planning
24 commission's consideration.

25 Additional written comments on the entitlement

1 requests will be received up to the time of the regional
2 planning commission hearing to be set at a future date.
3 Additional oral testimony on the permit requests may be
4 given at the commission's hearing.

5 The commission will make recommendation to the
6 board of supervisors pertaining to the final action on the
7 zone change and consideration of the project entitlements
8 and final certification of the EIR.

9 The board of supervisors has the final say on the
10 project or denial of the project.

11 This concludes staff's summary. I am available
12 for questions.

13 MS. NATOLI: Thank you, Mr. Jones. I do have a
14 comment or a question for you.

15 Would you please explain the DP -- development
16 program -- suffix. What exactly that means for this
17 project or any future project on this site.

18 MR. JONES: The development program means that it
19 is a restricted zone that would allow only the development
20 that is reviewed and approved by the commission and the
21 board of supervisors to be developed on site.

22 If any future uses should change or embellish or
23 something happens a conditional use permit would be
24 required to be obtained before any changes could be
25 reviewed or approved.

1 MS. NATOLI: All right. Thank you. I don't have
2 any other questions for you at this time.

3 Was there any late correspondence received on the
4 case, Mr. Jones?

5 I'm sorry. One more question.

6 MR. JONES: There was one e-mail response sent
7 today and staff has not printed it out yet due to the
8 training that we were in today. So it was received and I
9 just looked at it actually before we came in.

10 MS. NATOLI: That's fine. Thank you very much.

11 At this time I'm going to open the public hearing
12 for Item 2 and if the applicant is here I'm assuming
13 please come forward.

14 What I need for you to do, please, is state your
15 name for the record before you do any speaking and please
16 remember you have a maximum of 15 minutes. The amber
17 light will come on in front of you when you have
18 30 seconds left. So if that comes on and you're still
19 speaking please make sure you wrap up.

20 Gentlemen, please proceed.

21 MR. LAWSON: Thank you very much for everyone's
22 time today. We really appreciate it. My name is
23 Stafford Lawson. I'm with Parallax Investment Corporation
24 who is the developer -- the applicant -- of the proposed
25 project.

1 Just to give a little bit of background on our
2 company Parallax is a privately owned family run and
3 operated development company based out of Toronto, Canada.

4 I run the company together with my brother Nigel
5 who is also here today. We have 35 years or so of
6 experience developing over a very broad spectrum of asset
7 classes but with a particular focus on commercial both in
8 highly dense urban areas and also suburban areas.

9 I won't get too much into the details because I
10 know we don't have too much time here but I just wanted to
11 say before I pass the floor on to our architect Ken Smith
12 that this is a project that we're incredibly excited
13 about. It's a project that we've been working on very
14 hard for three years now just in the planning and design
15 stages together with our team of local consultants,
16 together with a huge amount of staff input, together with
17 community outreach that started at the very early,
18 beginning stages of the planning process and that
19 community outreach will continue.

20 I've been in conversations with (inaudible) over
21 the last few weeks and have agreed to come back to present
22 to the Rowland Heights board and any council on
23 March 14th.

24 So if you'd like a more in-depth presentation on
25 the project we invite you and encourage you to come at

1 that time.

2 So with that I'll pass it on to Ken Smith.

3 MR. SMITH: Ken Smith with Architects Orange.
4 We're the architect for the retail portion of the master
5 planning for the project.

6 Staff did a fairly comprehensive overview and
7 I'll just kind of be brief about what the project is.

8 This plan -- what I'm showing right now -- kind
9 of indicates where some of the subterranean parking is
10 located just to clarify how that worked in the site plan
11 and then I'll talk specifically about the retail project.

12 The total area is basically -- the subterranean
13 area is under the hotel. There's a level of parking
14 that's related to those uses and then under the retail
15 buildings and this lease building -- lease building and
16 hotel -- we have subterranean parking in addition to the
17 surface parking that we have onsite.

18 The architecture -- it's a contemporary type of
19 architecture. We got a chance to look to the coordinating
20 council and we spoke with them and we were able to kind of
21 embellish the architecture a little bit more with some of
22 the heights that we had to deal with. We added some
23 public space within the parking lot.

24 These are some views of the project. This is
25 looking through the two retail buildings generally in this

1 area towards the hotels on the other side.

2 The tile and stucco surfaces that are there and
3 we've also been able to kind of increase our sidewalk and
4 seating areas that are sort of out in the common area of
5 the sidewalks.

6 This is a view sort of along the promenade so it
7 would be in front of the retail.

8 This is the southerly themed area that's closer
9 to Gale Avenue. This is where the historical kind of
10 artifacts might be we were talking about -- what the
11 program for that might be -- but there will be historical
12 descriptions that would kind of relate to what the history
13 of the site might be that we toyed with there and then the
14 one that's more in the middle of the site which actually
15 has a series of gathering space. A large central
16 gathering space for community events or programs basically
17 could happen that way as well as some just casual passive
18 seating areas.

19 This is a view of one of the buildings. It's the
20 two-story building where we actually have some dining
21 terraced up above. Different perspective views of the
22 site and then back off over at Gale Avenue we have some
23 over-terraces back to the project.

24 Gene Fong is here to speak to you about the hotel
25 property.

1 MS. NATOLI: Sir, make sure you state your name
2 for the record.

3 MR. FONG: Gene Fong with Gene Fong Associates
4 Architects.

5 This is the ground floor of Hotel A which is a
6 full service hotel and the entrance to both hotels is in
7 a carriage court here. So you have Hotel A on the Gale
8 side and then Hotel B is over here on the north side of
9 the site.

10 This is a typical floor plan. The elevation of
11 the Hotel A is with the ground floor amenity provided. A
12 typical hotel with the lobby restaurant, lobby bar,
13 conference center and banquet space and the upper floors a
14 lot of guest rooms with the suites and this (inaudible)
15 which is a kind of an architectural feature of the tower.

16 Primary combination of glass, metal panel, plaster
17 and natural stone at the base.

18 Hotel B. This is the ground floor of Hotel B
19 which is an extended stay hotel and again they share the
20 same carriage court.

21 Let me also mention that the pool area is also
22 shared by both hotels.

23 It's essentially a kind of a dual hotel concept
24 where some the amenities are shared between the two
25 hotels.

1 Hotel B is an extended stay hotel so the public
2 space is limited to just for guest use only and the guest
3 rooms are an extended stay room that features a
4 kitchenette.

5 This is the elevation of Hotel B.

6 This pointer is not working anymore.

7 But again the combination here is contemporary.
8 We've picked up some of the characteristics of the retail
9 center too using smooth plaster, metal paneling, natural
10 stone and insulated glass.

11 This is a vignette of the arrival. This is the
12 (inaudible) entry to Hotel A. Again the idea here is to
13 get a sense of character into the building, the arrival
14 experience into the lobby, the lobby lounge.

15 And next to the Hotel A area is the pool area.
16 Again that's shared with Hotel B. It's a lounge area that
17 has a large pool, cabanas, spa and terraces.

18 Hotel B again shares the same carriage court
19 arrival. The entry for Hotel B is a little more
20 understated. Again being more of an extended stay,
21 long-term stay for Hotel guests where Hotel A is more full
22 service, family travel as well as Hotel B too depending on
23 the guest's desire to (inaudible).

24 MR. CLARK: Hi. My name is Aaron Clark from
25 (inaudible) and I help represent the developer with use

1 entitlements.

2 So as Steven Jones said we're seeking a vesting
3 tentative tract map to subdivide one parcel into three
4 parcels, a zone change to convert the hotel zoning into a
5 zoning classification that was part hotels. It's now
6 M-1-1/2 and we seek to go to C-3DP, conditional use permit
7 for a development program as Steven said, parking permit
8 which I'm sure you'll hear tonight that parking is key.

9 I'm going to speak to parking for one second.

10 You know, it's obvious that when we went to the
11 coordinating council which we did I think a year and a
12 half or two years ago -- a year and a half ago or so --
13 parking and traffic was obviously key as it always is in
14 projects of this type.

15 We hired LLG Consultants -- LLG Traffic
16 Consultants -- to do a very robust shared parking
17 analysis. That's in the record. We've seen some
18 correspondence flying about that suggests that there's a
19 25 percent reduction in parking or, you know, this project
20 is under parked.

21 To the contrary what we found through our shared
22 parking analysis is that -- which is allowed through a
23 parking permit. You can demonstrate within mixed use
24 projects that there are parking centers used between a
25 hotel. If someone stays at the hotel they'll walk over to

1 the shopping center. A person that stays at a banquet in
2 the hotel will reside in the hotel.

3 That's all in the record. I think it's in the
4 draft EIR. I really do encourage everyone here to read
5 that shared parking study because it's very important to
6 the project.

7 I don't have to go over the permitting process.

8 Just to reiterate we did come early on in the
9 process to the coordinating council. We're going to go
10 back next month to them.

11 That was a tremendously helpful meeting for us.
12 We changed the plan according to comments received from
13 the coordinating council in a subgroup of that council
14 that we met with -- kind of a working group -- that
15 resulted in, you know, the historical centrifuge of the
16 project and some of the pedestrian oriented (inaudible)
17 and so we're really proud of that effort and again we're
18 happy to come back and readdress the council next month.

19 With that I'll turn it over briefly to Anne who
20 is our (inaudible). Thank you.

21 MS. DOEHNE: Good evening. My name is
22 Anne Doehne. I'm with PCR Services Corporation, the
23 environmental consultants that assisted the county with
24 preparation of this draft EIR.

25 My presentation tonight will review the sequel

1 process to date for this project and the contents of the
2 draft EIR as well as its findings.

3 The notice of preparation for this EIR was issued
4 in May. May 21st, 2015. Public comment was taken through
5 July 6th and a scoping meeting was held on June 18th.

6 The draft EIR notice of availability was
7 published a little under a month ago. January 26th.
8 Comments as Steven mentioned earlier will be accepted
9 through March 11th, 2016 and tonight is the hearing
10 examiner hearing to present the draft EIR findings and
11 take testimony and as Steven also mentioned the final EIR
12 will be prepared in spring 2016 and it will include
13 responses to comments received on the draft EIR and if
14 necessary any corrections and additions to the draft EIR.

15 Steven reviewed the contents briefly of the draft
16 EIR. This is a list of the chapters of the draft EIR and
17 the technical appendices as well as under the third bullet
18 the environmental topics evaluated in detail in the draft
19 EIR.

20 Impacts fall under three categories in the draft
21 EIR. Less than significant impacts. Those are impacts
22 that do not exceed the applicable significance of
23 threshold whether a county threshold or another regulatory
24 agency and therefore no mitigation measures are required
25 to reduce impacts and that is generally because of

1 required compliance with regulations or because of
2 voluntary private design features committed to by the
3 project applicant specifically to avoid impacts or provide
4 public benefits.

5 Significant impacts are those for which a
6 mitigation measure is required to reduce an impact and
7 significant unavoidable impacts are those that cannot be
8 mitigated to a less than significant level and you will
9 see that several environmental conflicts show up on more
10 than one slide because some subtopics have less than
11 significant, significant but mitigable or significant
12 unavoidable impacts.

13 The draft EIR evaluated esthetics and found that
14 for views, visual character, light and glare and shade and
15 shadow there would be no impacts -- significant impacts --
16 for construction or operation.

17 Likewise under air quality for the four subtopics
18 listed air quality management plan consistency, AQMD
19 regional threshold, exposure of sensitive receptors in the
20 immediate project area to pollutants or odors less than
21 significant impact and likewise for GHG emissions at the
22 project and cumulative levels.

23 For biological resources, geology and soils and
24 hydrology and water quality impacts were determined to be
25 less than significant for these subtopics.

1 For land use and planning, compliance with
2 applicable plans and with approval of the requested zone
3 changes CUPs the project was found to be consistent with
4 allowable land uses for the project site.

5 With respect to noise, construction traffic and
6 vibration as well as operational noise both stationary and
7 mobile were found to be less than significant.

8 And for public services including fire protection
9 and sheriff protection and transportation, several
10 transportation subtopics including construction traffic,
11 CMP facilities, traffic hazards, emergency access,
12 transit, bicycle and pedestrian facilities and parking
13 (inaudible).

14 Under the category of significant but mitigable
15 impacts -- that is impacts that require mitigation to
16 reduce impacts to a level of less than significant --
17 biological resources, construction would as the result of
18 the undergrounding of the onsite partially channelized
19 drainage onsite result in impact to jurisdictional
20 wetlands or waters of the U.S., jurisdictional streambeds
21 and (inaudible) habitats and to breeding and nesting birds
22 because of existing trees on the project site that could
23 be disturbed during construction if construction takes
24 place during the nesting season.

25 And archeological and paleontological resources

1 are not known to be onsite but are assumed to be
2 potentially onsite and could be disturbed during
3 construction.

4 Additional significant but mitigable impacts
5 include construction noise particularly on the sensitive
6 receptor across the street -- that's the Best Western Plus
7 Executive Inn across Gale -- and for transportation two
8 impacts that would be impacted under future with project
9 and cumulative conditions

10 This is a list -- a quick summary -- of the
11 project design features that are voluntarily committed to
12 by the client. By the applicant. They include greeting
13 building measures, shared phase parking, construction
14 equipment, acoustical analysis of project hotels as built,
15 construction staging and management of three-way traffic
16 signals, restaurant floor area cap and occupancy
17 restrictions, landscaping and consultation with the water
18 district.

19 This is a list of the mitigation measures which
20 the applicant is required to implement to reduce impacts
21 to less than significant and these are detailed in the
22 draft EIR.

23 Unavoidable significant impacts include
24 construction air quality impacts during Phase 2
25 construction which will be concurrent with Phase 1

1 operations and exceedance of AQMD regional threshold and
2 build-out as well as impacts at three intersections
3 because of project trip generation.

4 Four alternatives were evaluated in the draft EIR
5 including a no build, no project alternative, reduce
6 intensity alternative, code compliant commercial
7 alternative and code compliant light industrial
8 alternative.

9 The draft EIR is posted on the county's website
10 and hard copies are available at (inaudible) libraries.

11 That concludes my presentation.

12 MS. NATOLI: Thank you. I don't have any
13 questions for you at this time.

14 What I'd like to do is start calling the
15 individuals who signed up to testify.

16 Do we have speakers on the sign-up, Mr. Szalay?

17 MR. SZALAY: We do and I will call two people at
18 a time for the two chairs up at the speaker table.

19 MS. NATOLI: So when you hear your name please
20 come up and take a seat -- it doesn't matter which seat --
21 and either one of you can start speaking.

22 Just again please state your name for the record
23 and when you've completed your testimony please vacate the
24 seat so we can bring the next people up.

25 You may have noticed that the applicant's

1 presentation went a little over the 15 minute limit. I
2 felt it was important rather than to cut off testimony by
3 the applicant that the applicant have maybe a minute or so
4 more time to make sure that they explained some of those
5 key features of the draft EIR in case individuals in the
6 room had any questions about that.

7 So at this time let's start calling our speakers.

8 MR. SZALAY: Okay. The first speaker is
9 Teri Malkin. The next one is Kingdom Chew.

10 MS. MALKIN: Hi. I'm Teri Malkin and I'm a
11 resident of Rowland Heights and I have a few concerns and
12 some of them you've already identified.

13 Number one is parking and you're talking about
14 shared parking and right now with Gale widened parking at
15 that shopping center has already been reduced and even
16 before the widening of Gale parking was at a premium there
17 so I don't think sharing the parking would be a viable
18 option.

19 Second water. Right now I think this comes under
20 Rowland Water and they're having a tough time right now
21 meeting their current needs with reductions in the use of
22 water so that obviously is a continued problem and I know
23 you've tried to make ameliorations and I know Gale's been
24 widened and Nogales will be something but traffic, of
25 course, and noise and that type of thing and I'll leave to

1 some of the others to bring up some other concerns such as
2 the height of the hotel and other items. Thank you.

3 MR. CHEW: My name is Kingdom Chew. Do I need to
4 say my address and all that?

5 MS. NATOLI: No, sir.

6 MR. CHEW: I'm a resident of Rowland Heights in
7 the Royal Vista golf course community. I was also the
8 past president of RHCCC during the term of July 1st, 2014
9 through June 30th, 2015. I'm also the neighborhood watch
10 captain.

11 I strongly opposed this project since Day One
12 early 2014. I bring a different picture to mind. The
13 razing of the American dream here at Rowland Heights. No
14 diversity. Just an overdosing of everything Asian. All
15 restaurants, (inaudible), soy sauce chicken, roast duck
16 shops, hookah bars, vapor shops, massage parlor, Internet
17 cafes, tea houses, casino buses, nail salons just to name
18 the obvious.

19 Why should a two-story hotel and an open-air
20 shopping center be built when there's a Puente Hills Mall
21 featured in the famous film Back To The Future?

22 Why should business tourists come to a hotel and
23 walk a little distance to shop when the residents can
24 neither walk, drive nor park as easily in their current
25 situation?

1 If the business people come here -- these
2 tourists -- they should get the real experience. Better
3 yet no open shopping center but put the Asian restaurants,
4 nail salons and all the previously mentioned inside a
5 hotel. Just make it an all-inclusive hotel. Hell. Throw
6 in a casino. There's your job creation.

7 2015 Congressman gets federal assistance to
8 remedy the congestion of trucks but it was announced in
9 2013 at the Asian business seminar in Rowland Heights that
10 there was a 33 percent increase for Asian business visas
11 which would benefit this community. More new business for
12 Asian businesses to come.

13 I know many Asian residents are not excited about
14 this. Many escaped the high density issue and now it's
15 here also.

16 You don't need to vacation in China or Taiwan.
17 It's right here right now.

18 If this gets built I can almost forecast an
19 increase in Asian gang activity. That's just how it
20 works.

21 Born and raised in San Francisco China Town I'm
22 experiencing it all again. The term is called China
23 vacation or in our case Taiwan vacation as we know
24 Rowland Heights is called Little Taiwan.

25 There's a social impact that's not being

1 addressed. Reverse discrimination to non-Asians or to
2 non-Mandarin speaking Asians like myself.

3 I'm not a racist. I just want true Americanism.

4 MS. NATOLI: Thank you.

5 MR. CHEW: This is capitalism at its best,
6 democracy at its worst.

7 MS. NATOLI: Thank you, sir.

8 MR. CHEW: I want diversity. Please stop this
9 suffocation.

10 MS. NATOLI: Thank you, sir.

11 MR. CHEW: Thank you.

12 MR. SZALAY: The next two speakers are Felix Chen
13 and Ronald Mitchell.

14 UNIDENTIFIED MALE SPEAKER: Good evening. When I
15 first saw the flyer I certainly had concerns also.

16 MS. NATOLI: I'm sorry, sir. Could you please --

17 MR. MITCHELL: Ronald Mitchell.

18 MS. NATOLI: Thank you. It's for the court
19 reporter and the record. Thank you.

20 MR. MITCHELL: Just like the last gentleman I
21 have concerns. I've lived in Rowland Heights for over
22 30 years and I saw a drastic change and it continues.

23 I have no problem with change but change should
24 be made to accommodate those who live here and have been
25 living here for some time, not for the profit of

1 businesses and so forth.

2 Someone stated when they were going through the
3 proposal that the hotel -- am I correct -- is condominiums
4 included?

5 MS. NATOLI: No, sir.

6 MR. MITCHELL: Someone stated that.

7 UNIDENTIFIED FEMALE VOICE: Yes. I heard that.

8 UNIDENTIFIED FEMALE VOICE: I heard that too.

9 MR. MITCHELL: You might readdress that.

10 MS. NATOLI: I'll ask them to clarify that.

11 MR. MITCHELL: Okay. I need to have that
12 clarified.

13 And also the parking is certainly going to be a
14 concern and just like the gentleman said I can envision
15 the casino buses in and out on this area. It's going to
16 be totally really congested and once again the social
17 impact -- you haven't taken that into consideration.

18 Everything is taken for the concern of the
19 business itself but not for the people that currently live
20 here and reside here. Okay? And I think that's a big
21 impact. We've been here enough and I certainly appreciate
22 your allowing us to come to this hearing but you should
23 readdress that.

24 How is it going to impact the people that
25 currently are living here and does that hotel that's

1 coming here now -- will that be an influx of people coming
2 here in Rowland Heights, having babies and so forth?

3 So those are my concerns. Nothing against
4 individuals but I think we should address not just the
5 business side.

6 And when you say the parking is going to be
7 shared it says that there's 25 percent less parking than
8 that's required. Are you going to allow that to happen or
9 are you going to go along with it's shared?

10 You know, you have two hotels you're going to
11 have shared parking. Who's going to validated that? How
12 do you determine that? I don't know.

13 My concern -- we have four hotels in
14 Rowland Heights now. Has someone did a study to see why
15 there was a need for this project? Is there that many
16 vacancies or no vacancies that would justify? What's the
17 attraction of Rowland Heights?

18 We don't have the attraction here but I guess
19 you're going to make an attraction. I don't know. I
20 don't know what the main objectives are of this project
21 but I think it's not for the people that reside here
22 currently. That's all I have.

23 MS. NATOLI: Thank you, sir.

24 MR. MITCHELL: Okay.

25 MR. CHEN: My name is Felix Chen. C-h-e-n. We

1 manage the children's center right to the east of this
2 project and my comment will be primarily on the
3 (inaudible) issues.

4 Based on the (inaudible) they project that more
5 than 70 percent of the traffic will go through the shared
6 driveway which right now we are using it exclusively.

7 My concern is at the end of that driveway you
8 have direct ingress and egress to Building 3 on the
9 project which is the northeast building and also you have
10 entrance to our shopping center and entrance to the new
11 project.

12 So when you have 70 percent or more of the
13 traffic going through that driveway I think it would
14 impact the ability of our customer to get in and out
15 through that driveway.

16 So my suggestion is at the minimum they should
17 redesign the entrance to the Building 3. Make it through
18 the internal of the project instead of right on that
19 driveway.

20 The other issue I would like to address is the
21 shared parking idea. I understand that they try to share
22 parking over at the (inaudible). There are three parcels
23 but they're proposing reciprocal parking. My comment is
24 that the design on the parking -- for example, the
25 majority of the hotel parking is underground or behind the

1 hotel and the way they are laid out that's not encourage
2 sharing unless you park (inaudible). The retail and
3 restaurant customers allowed to park on the hotel parking
4 people will be discouraged to come there. So probably we
5 are not being, you know, very effective based on the
6 current design.

7 That's basically all my comments. Thank you.

8 MS. NATOLI: Thank you, sir.

9 MR. SZALAY: The next two speakers are
10 Edward Byrd and Karen Gerloff.

11 Is Edward Byrd present?

12 All right. Then Ted Ebenkamp.

13 MS. GERLOFF: Hello. I'm Karen Gerloff. Thank
14 you for having this public hearing and listening to our
15 concerns.

16 I'm a resident of the Royal Vista neighborhood
17 which is kind of on the edge of Rowland Heights to the
18 east and I've lived here for over 40 years and raised my
19 family here.

20 I used to shop exclusively in Rowland Heights at
21 Puente Hills Mall. Use all those businesses. The traffic
22 has become unbelievable. I drive -- rather than shopping
23 four miles or five from my home I drive 15 over to
24 Chino Hills because it is beyond frustrating and nearly
25 impossible to drive to my local businesses.

1 I can't use Mr. Chen's nice shopping center and
2 this looks like a lovely shopping center but this
3 community has been over built unfortunately and when one
4 goes down Colima Road some of these businesses -- I don't
5 know if the coding council approved it or encouraged it
6 but they've been allowed to build almost -- huge buildings
7 right up to the sidewalk which is, you know, typical in
8 some countries but it isn't what we moved here for.

9 You know, so it doesn't allow them to widen
10 Colima and it definitely needs widening. People can't get
11 up and down that street.

12 So this unfortunately would be a negative impact
13 I believe even if -- we have two options. Go down Colima
14 to get some place, go down Valley or we used to go down
15 Gale. They're all pretty bad. They're quite impossible
16 because we have significant truck traffic in this area and
17 a huge amount of car traffic.

18 So unfortunately our local residents can't use
19 our community hardly. So that's my input. I think it
20 would be an unfortunate burden on this community to add
21 this large development. Thank you.

22 MS. NATOLI: Thank you.

23 MR. EBENKAMP: My name is Ted Ebenkamp. I'm with
24 the Rowland Heights Community Coordinating Council.

25 I did attend the meetings that were held I guess

1 almost two years ago now. One of the main issues then was
2 parking. Parking is always a concern in Rowland Heights.
3 You go to a lot of the centers that we have here where the
4 parking is made consistent with the county standards and
5 you still can't find a parking.

6 So it was a concern right from the start on this
7 and I have basically questions more than comments.

8 On page 212 of the draft EIR down towards the
9 bottom there's a parking summary. It lists Parcel 1
10 689 spaces, Parcel 2 260 spaces, Parcel 3 137 spaces and
11 northern parcel 75 spaces for a total of 1,161 spaces.

12 If you go to page 2-21 right above the -- middle
13 of the page there's a summary of the parking there and it
14 says "Parking permit to allow approximately 1,161 onsite
15 parking spaces and 75 offsite parking spaces."

16 Is the 75 included in this 161 or is it in
17 addition to the 161?

18 It's confusing between the two. One seems to
19 imply that there's 161 plus 75 and the other one says 161
20 including the 75. I think there needs to be a
21 clarification on that.

22 Also I'd like just to make a couple of comments.

23 For the hotels we have Parcel 2 275 guest rooms
24 with only 260 spaces. How can a hotel have less parking
25 places than they have rooms directly? That's a comment.

1 And then the same thing with Parcel 1. I'm
2 sorry. Parcel 3. 202 guest rooms with only 137 spaces.
3 That doesn't ring a bell for us. That doesn't make sense
4 so I would like them to comment on that.

5 And I'd also like to know the exact number of
6 spaces that they're short. They're asking for a parking
7 permit because they are short of spaces.

8 I think that issue needs to be discussed more
9 thoroughly by the applicants and that's my comments and
10 questions.

11 MS. NATOLI: Thank you.

12 MR. SZALAY: The next speaker is Wen-Tzu Davis.

13 MS. DAVIS: Hello. My name is Wen-Tzu Davis. I
14 just want to let here know -- talking about around here
15 the problem is not go through a proper hearing.
16 (Inaudible.) They open September 19, 2014. The grand
17 opening for the (inaudible) the project and after around a
18 year or something (inaudible) close down 10 business. Ten
19 restaurants. And I would like to know we have 10 -- more
20 than 10 (inaudible.) We have (inaudible) residents right
21 now suing us (in audible) plus they have seven business
22 suing it. Why? We suing them for nuisance and now the
23 parking lot (inaudible). The parking lot is over 2,000
24 feet. Just all the (inaudible). We are suing for
25 (inaudible). Thank you.

1 MS. NATOLI: Thank you very much.

2 All right. We have no other speakers signed up
3 for this so --

4 UNIDENTIFIED MALE SPEAKER: I want to make a
5 comment.

6 MS. NATOLI: One more call.

7 Sir, have you filled out a speaker card?

8 UNIDENTIFIED MALE SPEAKER: I did. Yes.

9 MS. NATOLI: Perfect. Come on up. Please take a
10 seat.

11 You chose not to come up earlier when you were
12 called so he has your card here somewhere.

13 UNIDENTIFIED MALE SPEAKER: All right. Thank
14 you.

15 MS. NATOLI: Just state your name for the record.

16 MR. BYRD: Edward Byrd.

17 MR. NATOLI: Thank you, sir.

18 MR. BYRD: No problem. I'm a resident for
19 40 years. When is this going to stop is what my question
20 is.

21 The golf course now has empty space. Are we
22 going to have another meeting here in another year and a
23 half or so talking about another hotel?

24 We had that space up on Fairway that we turned
25 down a big project like this before. Is that going to be

1 coming back in our face again?

2 When are you guys going to stop? We want to know
3 if one by one you guys are going to end up to where we
4 can't even drive past our houses anymore.

5 This is crazy. This is not Rowland Heights.
6 It's crazy. That's all I have to say. Thank you.

7 MS. NATOLI: Thank you.

8 MR. SZALAY: There's an additional speaker.
9 Lynne Ebenkamp.

10 MS. EBENKAMP: I'm going to sit here and beat a
11 dead horse because parking in this center --

12 I'm sorry. Lynne Ebenkamp.

13 MS. NATOLI: Please proceed.

14 MS. EBENKAMP: The parking for this center --
15 whoever did the parking studies within the exchange of
16 parking and the shared parking needs to be somebody that
17 is at that center looking at this traffic as it goes in to
18 the center.

19 I think what these developers will find out the
20 people from the Ranch Market center will fill up their
21 parking lot and that driveway goes both ways.

22 That parking is very important and it will impact
23 the whole passage of traffic going by that whole center.

24 It's not just 10 or 12 parking places that you're
25 short. Is it 300 and something? That's a lot of parking

1 that you're short that you're I think talking about
2 sharing.

3 So I'm going to ask you to please look at that
4 parking again and figure out a way to get -- if you're
5 going to have a parking structure on the building build a
6 parking structure but don't be short of parking places
7 because people are going to get mad, there are going to be
8 accidents and it will just go and on and get worse.

9 That's the end of my comments.

10 MS. NATOLI: Thank you.

11 MR. SZALAY: There are no other speaker cards at
12 this time.

13 MS. NATOLI: All right.

14 MR. SZALAY: The next speaker is Chris Huaralcha.

15 MS. NATOLI: And what I would like to ask is if
16 the individuals who turned in cards late have been sworn
17 in.

18 Have you been sworn in, sir?

19 UNIDENTIFIED MALE SPEAKER: No.

20 MR. SZALAY: If there's anyone else that wishes
21 to speak or that has spoken that needs to be sworn in
22 raise your right hand.

23 MS. NATOLI: Better late than never.

24 MR. SZALAY: Do you swear or affirm under penalty
25 of perjury that the testimony you may give in the matter

1 now pending before this hearing examiner shall be the
2 truth, the whole truth and nothing but the truth?

3 (Group response.)

4 MR. SZALAY: All right. You may be seated.

5 MS. NATOLI: As you know it is fine. The truth
6 as you know it is fine.

7 MR. HUARALCHA: Hello. My name is Chris
8 Huaralcha. I've been a resident here in Rowland Heights
9 for over 10 years and my main concern just like everyone
10 else has been -- what I'm talking about is traffic.

11 On the weekends -- especially Saturday -- it's
12 very difficult for me to get out of my housing tract where
13 I live. Nogales and Colima is the cross street. Very
14 close to (inaudible). It's just unbearable. On Saturdays
15 we cannot get out.

16 If you turn and start going towards Gale right
17 now it's impossible because of the construction and I
18 understand that, you know, the construction is underway
19 and it will be relieved at some point. I don't know when
20 they're going to be completed with it.

21 But anyhow my point is this is that adding that
22 burden of a hotel with inadequate parking makes no sense
23 to me.

24 The other thing that doesn't make any sense is
25 that how the community isn't looking as a whole or I

1 should say I feel like the county isn't looking as a whole
2 as to the beautification of the area.

3 The area is turning into a concrete jungle and
4 we're residents that live here. We take pride of
5 ownership in our homes and what I see is it moving towards
6 more concrete and parking structures where before we had a
7 sense of open space.

8 Ten years ago when I moved in that's one of the
9 reasons that I purchased mt home is because I like seeing
10 the hills, I like seeing the open space and now we're
11 getting more condensed. Higher density. Higher
12 population.

13 I believe we do welcome -- as far as our country
14 we welcome everybody. That's not an issue. The issue is
15 what I see now walking down my street -- and I'm not
16 exaggerating -- I don't want to say hundreds because that
17 sounds like an exaggeration -- quite a few pregnant women
18 in our homes now walking our streets five at a time, 10 at
19 a time.

20 When you go to Target you see 15, 20 of them
21 walking down the street from the apartment complex at the
22 Pheasant Ridge apartments.

23 What I'm concerned about now is if we have
24 extended stay hotels you're going to see an enormous
25 increase of these anchor babies being born in this

1 community.

2 Again I'm not against the American dream. We all
3 love this country, we all appreciate what it has to offer
4 but what I'm concerned about is what it's showing our
5 children and that's my statement for tonight. Thank you.

6 MS. NATOLI: Thank you.

7 Again we've run out of speaker cards up here.

8 Is there anyone else who would like to make
9 comments?

10 All right. With that then I would like to ask
11 the applicant to come back up to address a few of these
12 questions that were raised during the testimony.

13 What I'd like for you to do is to the best of
14 your ability go through quickly and answer the points that
15 have been brought up by members of the public and if I
16 think that there's something that's been overlooked --

17 UNIDENTIFIED MALE SPEAKER: Sure.

18 MS. NATOLI: Wait for me to finish.

19 I'll try and ask --

20 UNIDENTIFIED MALE SPEAKER: Sure.

21 MS. NATOLI: -- I'll try and go through and ask
22 those.

23 Please proceed.

24 MR. CLARK: Thank you, hearing officer or hearing
25 examiner. My name is Aaron Clark. I'm with (inaudible).

1 First I'd like to address just kind of this
2 overarching -- it seems like a fear of this project and I
3 think it has something to do with more than just this
4 project. It sounds like there's other things in play.

5 I can tell you that this is going to be a first
6 class project. I drove along and we went to
7 Diamond Plaza. This is not Diamond Plaza. We drove along
8 and went to other developments in the community that
9 looked more like Ventura Boulevard, for example, in Encino
10 which also has the same kind of strip mall mentality that
11 this community does which is unfortunate.

12 This is a different project. The hotels are
13 going to be top class. This notion of anchor babies is
14 ridiculous for this project frankly and somewhat
15 xenophobic.

16 This is going to be a top class project. The
17 resort hotel is going to be full service. The second
18 hotel in back is going to be an extended stay hotel which
19 are very prevalent by the way in Southern California.
20 They're not unique to Rowland Heights.

21 I think that the issue with birthing
22 communities -- it sounds more like apartments, lower class
23 situations than what this is going to be.

24 Let me finish, please.

25 I'd like Stafford to address kind of the quality

1 of the project because it seems like there's a disconnect
2 and then we'll talk about parking.

3 MR. LAWSON: Yeah. I mean I think you can see
4 from some of the vignettes that we've put together here
5 that this isn't just going to be your generic strip plaza
6 that goes completely mismanaged and gets driven into the
7 ground.

8 This is an ultra high quality development that's
9 got a level of architecture that I think is of a higher
10 quality than 90 percent of the retail plazas that
11 currently exist in the community.

12 I think it's actually going to push other
13 developments to elevate their quality to compete with how
14 nice this development is actually going to be.

15 I don't think that we were given quite enough
16 credit for the early community outreach that we
17 participated in before we even started really designing
18 this.

19 I know a number of people that spoke today were
20 very outspoken about the project but at the time when we
21 formed the small caucus group about this project they
22 really saw that we were listening to them at the time and
23 I know it's been a while now and time is against us but
24 those elements that we worked so hard with the community
25 to incorporate into the project still exist. We did not

1 change them one iota from the day that we agreed to put
2 them in and we're proud of those and we firmly believe
3 that the project is better for it, is more unique for it
4 and will be a better investment for us because of that
5 community input and I wish there was a little credit given
6 for that.

7 But one of the things that I heard most
8 consistently today is parking and so I'm not a parking
9 expert. We've hired a parking expert. I'd like to pass
10 the mic on to David Schender to a few minutes who can
11 speak to those concerns because it is technical in nature
12 and when you glance at the numbers and you say "The code
13 requires this. The project supplied that" at first glance
14 it appears that we're just low and it's never going to
15 work but I'd like for you to at least give a couple
16 minutes to David to hear how these relationships work.

17 So with that I'll just pass it off to David.

18 MS. NATOLI: One moment, please. Mr. Schender,
19 you probably have not filled out a speaker card either,
20 have you?

21 UNIDENTIFIED MALE SPEAKER: I have not.

22 MS. NATOLI: When we finish here with you,
23 please, I need for you to fill out a speaker card.

24 MR. SZALAY: Okay. Do you swear or affirm under
25 penalty of perjury that the testimony you may give in the

1 matter now pending before this hearing examiner shall be
2 the truth, the whole truth and nothing but the truth?

3 MR. SCHENDER: I do.

4 MR. NATOLI: All right. Go ahead, sir.

5 MR. SCHENDER: Yes. My name is David Schender
6 with the firm (inaudible) & Greenspan. Our firm prepared
7 the parking study for the project.

8 The parking analysis was prepared in compliance
9 with the procedures required by the County of Los Angeles.

10 The County of Los Angeles has a set of code
11 parking requirements. The parking that's required for the
12 individual components -- there's a parking requirement for
13 hotel rooms, there's a parking requirement for retail, for
14 restaurants, for office, et cetera.

15 For many projects which just has one or two
16 components it's relatively easy to just add up the parking
17 requirements for the individual components.

18 Say if you had a center that had an office
19 building and maybe a ground floor restaurant that would be
20 pretty easy, but the county does recognize that for larger
21 mixed use projects the parking characteristics for the
22 individual components will vary by time of day and also by
23 day of the week and so there's a recognition that there's
24 an opportunity for these spaces as we call it and actually
25 defined by the Urban Plan Institute in their document

1 Shared Parking there's an opportunity for parking spaces
2 to be shared.

3 So a very good example for this project is we
4 have a medical office component and then we have a retail
5 component. Medical office has their peak parking demands
6 during the weekdays and retail has their peak parking
7 requirements on weekends.

8 So the concept of sharing is a parking space that
9 is used during the week by say someone who works in a
10 medical office building can be used on the weekends by
11 someone who's visiting the retail component.

12 There's also a time of day factor that we have at
13 this project. We have uses that have their peak parking
14 demands during the day and others their peak parking
15 demand at night.

16 The hotel component is a good example where
17 during the day there may be some meetings that are taking
18 place in the meeting rooms. Those parking spaces can be
19 utilized by the people going to the meetings.

20 In the evening when the meetings are over and the
21 hotel begins to fill up with guests staying overnight that
22 same parking space that was occupied during the daytime
23 can then be used in the evening by someone who's staying
24 at the hotel.

25 The factors that go into the hour-by-hour and

1 various days have all been documented by the Urban Plan
2 Institute in a report and is not based on hypothesis or
3 theory. It's actually based on counts that have been done
4 at all these various land uses. And so they provide
5 hour-by-hour parking indices as we call them to tell you
6 to say that at five o'clock you can expect parking demand
7 to be -- say at a retail center to be close to 100 percent
8 but at 7:00 in the morning that same parking demand will
9 probably be much lower on the order of about 10 to
10 20 percent of its peak demand.

11 And then the final aspect in terms of the parking
12 analysis takes into consideration that the opportunity for
13 say a hotel guest to walk over to the retail center and
14 take advantage of the restaurants that are available so
15 that a parking space is not needed at the retail facility
16 to serve that person walking over to have a bite to eat.

17 So all this is provided in the parking demand
18 study. I've been doing parking studies for 30 years. We
19 have gone back and done -- as part of the conditions have
20 gone back and done counts and we've demonstrated that
21 the parking forecasts tend to be overstated. That the
22 actual parking demand is less than was provided in the
23 parking studies because we do provide layers and layers of
24 conservative analysis to ensure that there is a buffer in
25 case there's something that doesn't quite happen as we had

1 estimated.

2 MS. NATOLI: All right. I have a couple of
3 questions for you, Mr. Schender, that I'm hoping will
4 clarify some of the questions raised by members of the
5 public here tonight.

6 First so then with this shared parking how did
7 the number of approximately 342 fewer spaces -- how was
8 that determined?

9 So out of a total raw requirement of 1503 spaces
10 how was it determined that 342 could be shared?

11 MR. SCHENDER: So what's contained in the parking
12 study is again we look at literally every hour of the day
13 and then we look at both the weekday and weekend
14 conditions and we tabulate what the parking demand would
15 be during each hour of the day for all the various land
16 uses and so it basically becomes a math exercise where,
17 you know, at seven o'clock in the morning we expect the
18 hotel to require X amount and then we go over to the
19 meeting space and that will require an amount. We go to
20 the office buildings and those will require parking and
21 it's all based on taking their peak amount of parking
22 demand, applying the factors whether it's 10 percent of
23 the peak demand, 50 percent, 100 percent -- whatever the
24 ULI factors are for those particular times of day -- and
25 we sum across the various components to where we get up to

1 a final number.

2 And so the peak number ended up being -- it was
3 under 1161. It was less than that. At other times of day
4 the peak demand for the center was much less than that --
5 800, 700, 900 -- but the highest hour on the peak days of
6 the week was found to be in the order of 1161. It was
7 less than that so there's some buffer.

8 MS. NATOLI: So, for example -- Mr. Jones can
9 probably correct me -- I don't have Title 22 in my
10 brain -- all parts of it -- we require for commercial one
11 space for every 400 square feet?

12 MR. JONES: For retail/commercial one space for
13 every 250 square feet --

14 MS. NATOLI: I knew it was one or the other.

15 MR. JONES: -- for office.

16 MS. NATOLI: Right. So for office it's 400.

17 So while let's say retail needs a parking space
18 for every 250 square feet if we have a 250 square foot
19 building we say it needs one parking space because it
20 doesn't need that parking space 24 hours a day is what
21 you're saying.

22 That 250 square feet only needs parking a certain
23 hour or certain hours of the day and then some other use
24 which needs it in the evening could use it like shared
25 parking at the beach.

1 If you have an office building at the beach
2 that's closed. Marina del Rey will do that. Their office
3 buildings are closed on the weekend and so there's shared
4 beach parking on the weekend.

5 Is it that sort of idea?

6 MR. SCHENDER: Yes. That's absolutely correct.

7 MS. NATOLI: Those 75 offsite spaces -- could you
8 just briefly speak to the need for those 75 offsite spaces
9 along the northern part of the project site.

10 MR. SCHENDER: Yes. I'll let I think one of the
11 team members speak to that but I believe it's spaces that
12 are technically outside the jurisdictions of the county?

13 UNIDENTIFIED MALE SPEAKER: Right.

14 MR. SCHENDER: They're considered spaces that are
15 outside the jurisdiction of the county so they're deemed
16 to be offsite spaces but I believe they are included in
17 the total.

18 UNIDENTIFIED MALE SPEAKER: They are. Yeah.

19 MR. SCHENDER: They're included in the total of
20 the 1,161 so --

21 UNIDENTIFIED MALE SPEAKER: Yeah. Based upon the
22 way the comment was read the totals are not reflected
23 anyway. (Inaudible.)

24 MS. NATOLI: All right. And then the question
25 Mr. Ebenkamp brought up about the total number of

1 spaces -- differences in the totals in different parts of
2 the draft EIR -- what is the final number of parking
3 spaces?

4 MR. SCHENDER: 1,161.

5 MS. NATOLI: And that includes those 75 spaces
6 along the northern strip in the City of Industry?

7 MR. SCHENDER: That's correct.

8 MS. NATOLI: So you've made sure that that's
9 consistent throughout the final EIR. Correct?

10 MR. SCHENDER: Yes.

11 MS. NATOLI: And then I had noted some
12 differences in the total numbers for your cubic yards
13 grading in different parts of the draft EIR and I would
14 suggest that you move through the draft and make sure that
15 your grading totals add up in the different parts of the
16 draft EIR as well.

17 One of the things -- a question that was raised I
18 did want to address. I don't have any other questions for
19 you. I'm sure this is a question that staff can answer
20 for me. So thank you very much.

21 On the condo units, Mr. Jones, my understanding
22 is that those are commercial condo spaces and that those
23 condo spaces are actually going to be in the retail part
24 of it. They're not in the hotels. Correct?

25 MR. JONES: That is correct.

1 MS. NATOLI: So how does that work where you have
2 a commercial/condo space for retail? How does that work?

3 MR. JONES: It's to designate ownership so the
4 spaces will not be leased by the business owners. They're
5 looking to sell the separate units.

6 MR. LAWSON: (Inaudible).

7 MS. NATOLI: I'm sorry, sir. I haven't asked you
8 a question.

9 MR. LAWSON: Okay. Sorry about that.

10 MS. NATOLI: It's not your usual landlord who has
11 tenants filling commercial spaces?

12 MR. JONES: Correct.

13 MS. NATOLI: It's actually a property owner.

14 If I bought that 250 square foot commercial space
15 I wouldn't then go to my landlord or just leave? I would
16 have to sell that --

17 MR. JONES: You would --

18 MS. NATOLI: -- if I left?

19 MR. JONES: -- in a similar way that a
20 residential property works. It's you buy into a group or
21 a (inaudible) space of a commercial/retail property.

22 MS. NATOLI: All right. And I will give you a
23 chance to address that now, Mr. Lawson, if you have
24 something to add.

25 MR. LAWSON: Okay. Well I think Steven gave a

1 good explanation of it but just to add to that. So a
2 buyer -- typically what we see in these kind of projects
3 is, you know, around 60 to 75 percent of the purchasers
4 are people with their own businesses that are going to
5 start those businesses or move them from other places and
6 like the opportunity of owning their real estate as
7 opposed to renting from a landlord and enjoying the
8 appreciation of their real estate ownership while running
9 their business and then there's also an opportunity for
10 investors to purchase and lease out to tenants as is the
11 case in a conventional leasehold plaza.

12 I think some of you might have noticed that
13 there's a lot of small units and no large units and the
14 reason we do that is because we like the market to figure
15 out how to group space together.

16 So typically buyers will come and group four or
17 five units together. So at the end of the day when
18 they're built out it's not like we're going to have 160 or
19 whatever tiny, little stores. They get combined together.

20 MS. NATOLI: All right. Thank you very much.

21 MR. LAWSON: No problem

22 MS. NATOLI: Before I wrap up --

23 Sir, I'm sorry. The public comment period is
24 finished.

25 Before I wrap up Mr. Jones or Mr. Szalay -- do

1 you have anything to add?

2 MR. JONES: No.

3 MR. SZALAY: The only thing I have to add is just
4 to reiterate that Thursday, March 11, 2016 is the close of
5 the comment period at 5:00 p.m. just so that's clear to
6 everyone.

7 MS. NATOLI: Before I close the item I would like
8 to address a couple of comments that were made during the
9 rebuttal period.

10 I can tell you, Mr. Clark, that Rowland Heights
11 is not a low class neighborhood and I can also tell you
12 that the concerns that many of the residents have here
13 concerning maternity motels or birthing houses -- whatever
14 you want to call them -- are real, they're valid and it's
15 happening in every single neighborhood in this community.

16 So please do not -- do not -- underestimate that
17 issue and the concern here in Rowland Heights. It's a
18 real valid issue.

19 And with that I don't have anything else to add
20 so this item is closed. The public hearing on it is
21 closed.

22 I do want to at this time though ask Mr. Jones or
23 Mr. Szalay -- whichever of you would like to address the
24 issue -- let's talk about next steps so the members of the
25 community here know what's happening next.

1 MR. JONES: So as both my supervisor and
2 Madam Hearing Examiner have indicated public comment is
3 still being accepted. You may e-mail me. I have cards I
4 will leave here with you. You can phone me, you may
5 visit. I will be at the next Rowland Heights community
6 coordinating counsel meeting March 14th to observe.

7 And that comment period again closes Thursday,
8 March 11, 2016 at 5:00 p.m. After that staff will be
9 taking into consideration the environmental documents for
10 the final impact report, your comments. We will also be
11 generating a staff analysis of the project merits from the
12 land use standpoint.

13 So again your comments not only for the EIR are
14 accepted but the comments for the project in general are
15 accepted. And let me just go ahead and give you my number
16 now while I'm speaking. (213) 974-6433 and again I have
17 cards. And my e-mail address is s -- for steven -- d --
18 dale -- jones -- sdjones@planning.lacounty.gov.

19 MR. SZALAY: And I would like to just add a
20 further clarification to that just to make sure it's
21 absolutely clear that regarding the close of the comment
22 period that we stated as March 11 -- that's regarding the
23 draft EIR.

24 So the comment period on the draft EIR closes
25 then but the project entitlements -- those will be at a

1 future hearing. That's the comments Steven is talking
2 about. That you can continue to provide comments --
3 written comments -- call in if you'd like, e-mail and that
4 continues up to the date of the hearing.

5 So just to make it clear the distinguishing of
6 those comments.

7 MS. NATOLI: And comments at the hearing.

8 And sir, please call Steven on Monday.
9 Regional Planning is closed on Fridays. If you have
10 another question that comes up or your neighbors have
11 questions call Steven and ask him. He doesn't have enough
12 to do so I need to make sure. Call him, ask him. He'll
13 find the answer. If he doesn't know it he'll find the
14 answer and get back to you on it.

15 So this does not stop the exchange of information
16 and it certainly does not stop the input from the members
17 of the public.

18 I encourage you to send Steven an e-mail with
19 your comments and questions, that you also provide
20 comments to the regional planning commission when the
21 hearing comes up whenever that will be scheduled and if
22 you're so inclined that you attend the regional planning
23 commission hearing on the item and give your testimony in
24 person because it is always appreciated by the commission
25 when members of the community come and speak on the

1 project. I know it's a bit of a drive but it is very much
2 appreciated.

3 So with that --

4 Yes, Mr. Lawson.

5 MR. LAWSON: I just wanted to say that I've also
6 got business cards here so if anyone's interested in
7 communicating with me directly I'll give you my phone
8 number and my e-mail address. So at any time feel free.

9 MS. NATOLI: Thank you. I appreciate that.

10 And Mr. Jones has a point of clarification on the
11 process of this project and what will be happening next.

12 MR. JONES: Because there's a zone change request
13 involved in after the planning commission hearing their
14 recommendation will be taken to the board of supervisors
15 so you're going to have another opportunity to speak but
16 the board of supervisors hearing and their action is
17 final.

18 MS. NATOLI: But again that is the date to be
19 determined.

20 All right. With that we are finished with
21 Item 2. I appreciate everyone coming to speak on that
22 item tonight and I'm moving on to Part 3. Public comment
23 period.

24 Do we have anyone here to speak during the public
25 comment period?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. SZALAY: No speaker cards.

MS. NATOLI: All right.

MR. SZALAY: We do appreciate you coming and showing your interest in the community. That is very much appreciated.

MS. NATOLI: And with that as we have no one here to speak during the public comment period the hearing examiner is adjourned. Thank you very much.

(Whereupon the proceedings concluded at 7:20 p.m.)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATION
OF
CERTIFIED SHORTHAND REPORTER

The undersigned Certified Shorthand Reporter of the State of California does hereby certify:

That the foregoing proceedings were taken before me at the time and place herein set forth;

That the proceedings were recorded stenographically by me and thereafter transcribed, said transcript being a true copy of my shorthand notes.

IN WITNESS WHEREOF, I have this date subscribed my name .



Dated: March 8, 2016

Certificate Number: 5369

D.2 ORIGINAL COMMENT LETTERS ON THE DRAFT EIR



COUNTY OF LOS ANGELES

FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294

DARYL L. OSBY
FIRE CHIEF
FORESTER & FIRE WARDEN

January 12, 2016

Steven Jones, Principal Assistant
Department of Regional Planning
Land Divisions
320 West Temple Street
Los Angeles, CA 90012

Dear Mr. Jones:

MITIGATION MONITORING AND REPORTING PROGRAM, "ROWLAND HEIGHTS PLAZA AND HOTEL PROJECT", WOULD SUBDIVIDE THE COUNTY PORTION OF THE PROJECT SITE INTO THREE PARCELS, WOULD BE DEVELOPED WITH APPROXIMATELY 129,926 GROSS SQUARE FEET OF RETAIL, RESTAURANT, AND COMMERCIAL USES, 18800 RAILROAD STREET, ROWLAND HEIGHTS (FFER 201500218)

The Mitigation Monitoring and Reporting Program has been reviewed by the Planning Division, Land Development Unit, Forestry Division, and Health Hazardous Materials Division of the County of Los Angeles Fire Department. The following are their comments:

PLANNING DIVISION:

1. We have no comments at this time.

LAND DEVELOPMENT UNIT:

1. The Fire Prevention Division's Land Development Unit has no comments regarding the Mitigation Monitoring and Reporting Project for this project at this time. If you have any questions, please contact Juan Padilla at (323) 890-4243 or at Juan.Padilla@fire.lacounty.gov.

SERVING THE UNINCORPORATED AREAS OF LOS ANGELES COUNTY AND THE CITIES OF:

AGOURA HILLS
ARTESIA
AZUSA
BALDWIN PARK
BELL
BELL GARDENS
BELLFLOWER
BRADBURY

CALABASAS
CARSON
CERRITOS
CLAREMONT
COMMERCE
COVINA
CUDAHY

DIAMOND BAR
DUARTE
EL MONTE
GARDENA
GLENORA
HAWAIIAN GARDENS
HAWTHORNE

HIDDEN HILLS
HUNTINGTON PARK
INDUSTRY
INGLEWOOD
IRWINDALE
LA CANADA FLINTRIDGE
LA HABRA

LA MIRADA
LA PUENTE
LAKEWOOD
LANCASTER
LAWDALE
LOMITA
LYNWOOD

MALIBU
MAYWOOD
NORWALK
PALMDALE
PALOS VERDES ESTATES
PARAMOUNT
PICO RIVERA

POMONA
RANCHO PALOS VERDES
ROLLING HILLS
ROLLING HILLS ESTATES
ROSEMEAD
SAN DIMAS
SANTA CLARITA

SIGNAL HILL
SOUTH EL MONTE
SOUTH GATE
TEMPLE CITY
WALNUT
WEST HOLLYWOOD
WESTLAKE VILLAGE
WHITTIER

Steven Jones, Principal Assistant
January 12, 2016
Page 2

FORESTRY DIVISION – OTHER ENVIRONMENTAL CONCERNS:

1. The statutory responsibilities of the County of Los Angeles Fire Department's Forestry Division include erosion control, watershed management, rare and endangered species, vegetation, fuel modification for Very High Fire Hazard Severity Zones or Fire Zone 4, archeological and cultural resources, and the County Oak Tree Ordinance. Potential impacts in these areas should be addressed.

HEALTH HAZARDOUS MATERIALS DIVISION:

1. The Health Hazardous Materials Division (HHMD) of the Los Angeles County Fire Department previously provided our comments regarding this project in May and July of 2015. HHMD has no additional comments at this time.

If you have any additional questions, please contact this office at (323) 890-4330.

Very truly yours,



KEVIN T. JOHNSON, ACTING CHIEF, FORESTRY DIVISION
PREVENTION SERVICES BUREAU

KTJ:ad

RECEIVED

2016 JAN 14 PM 5:09

DEPT OF REGIONAL PLANNING

the proposed project.⁹ and prior to the release of a negative declaration, mitigated negative declaration or environmental impact report.¹⁰

- o For purposes of AB 52, "consultation shall have the same meaning as provided in Gov. Code § 65352.4 (SB 18).¹¹

- **Conclusion of Consultation:** Consultation with a tribe shall be considered concluded when either of the following occurs:
 - o The parties agree to measures to mitigate or avoid a significant effect, if a significant effect exists, on a tribal cultural resource; or
 - o A party, acting in good faith and after reasonable effort, concludes that mutual agreement cannot be reached.¹²
- **Prerequisites for Environmental Documents with a Significant Impact on an Identified Tribal Cultural Resource: An environmental impact report may not be certified, nor may a mitigated negative declaration or a negative declaration be adopted unless one of the following occurs:**
 - o The consultation process between the tribes and the lead agency has occurred.¹³
 - o The tribe that requested consultation failed to provide comments to the lead agency or otherwise failed to engage in the consultation process.
 - o The lead agency provided notice of the project to the tribe in compliance with Public Resources Code section 21080.3.1 (d) and the tribe failed to request consultation within 30 days.¹⁴



Documentation of Mitigation for the Protection of Tribal Cultural Resources and Native American Human Remains

1. The specific measures to address the unanticipated discovery of Tribal cultural resources in your document do not include the requested Native American monitor (Section 4.D.1-5, pgs 122-123).

2. The specific mitigation measures as outlined in the Executive Summary and discussed in the Archaeological resources section (4.D.1-12) to address the inadvertent discovery of Native American human remains (CEQA guidelines section 15064(f)) includes problematic requirements:

Initial jurisdiction in cases of the discovery of human remains falls immediately to the County Coroner, in accordance with CEQA guidelines section 15064.5(d) and (e). The procedure to follow is detailed in Health and Safety Code section 7050.5(b) and (c). It is only after the Coroner determines that the remains are that of a Native American and contacts the NAHC that the **NAHC assumes jurisdiction** in accordance with Public Resources Code §5097.98(a). The permission of the landowner or contractor is not needed by the MLD to inspect the remains.

Mitigation should be discussed in consultation with California Native American Tribes.

- **Mandatory Topics of Consultation:** The following topics of consultation, if a tribe requests to discuss them, are mandatory:
 - o Alternatives to the project.
 - o Recommended mitigation measures.
 - o Significant effects.
- **Discretionary Topics of Consultation:** The following topics are discretionary topics of consultation:
 - o Type of environmental review necessary.
 - o Significance of the tribal cultural resources.
 - o Significance of the project's impacts on tribal cultural resources.
 - o If necessary, project alternatives¹⁵ or appropriate measures for preservation or mitigation that the tribe may recommend to the lead agency.
- **Confidentiality of Information Submitted by a Tribe During the Environmental Review Process:** With some exceptions, any information, including but not limited to, the location, description and use of tribal cultural resources submitted by a California Native American tribe during the environmental review process shall not be included in the environmental document or otherwise disclosed by the lead agency or any other public agency to the public, consistent with Government Code sections 6254 (r) and 6254.10. Any information submitted by a California Native American tribe during the consultation or environmental review process shall be published in a confidential appendix to the environmental document unless the tribe that provided the information consents, in writing, to the disclosure of some or all of the information to the public.¹⁶
- **Discussion of Impacts to Tribal Cultural Resources in the Environmental Document:** If a project may have a significant impact on a tribal cultural resource, the lead agency's environmental document shall discuss both of the following:
 - o Whether the proposed project has a significant impact on an identified tribal cultural resource.
 - o Whether feasible alternatives or mitigation measures avoid or substantially lessen the impact on the identified tribal cultural resource.¹⁷
- **Recommending Mitigation Measures Agreed Upon in Consultation in the Environmental Document:** Any mitigation measures agreed upon in the consultation conducted¹⁸ shall be recommended for inclusion in the environmental document

⁹ (Pub. Resources Code § 21080.3.1, subs. (d) and (e))

¹⁰ (Pub. Resources Code § 21080.3.1(b))

¹¹ (Pub. Resources Code § 21080.3.1 (b)).

¹² (Pub. Resources Code § 21080.3.2 (b)).

¹³ as provided in Public Resources Code sections 21080.3.1 and 21080.3.2 and concluded pursuant to Public Resources Code section 21080.3.2.

¹⁴ (Pub. Resources Code § 21082.3 (d)).

¹⁵ (Pub. Resources Code § 21080.3.2 (a)).

¹⁶ (Pub. Resources Code § 21082.3 (c)(1)).

¹⁷ (Pub. Resources Code § 21082.3 (a) and (b)).

¹⁸ pursuant to Public Resources Code section 21080.3.2

and in an adopted mitigation monitoring and reporting program, if determined to avoid or lessen the impact¹⁹ and shall be fully enforceable.²⁰

- **Required Consideration of Feasible Mitigation:** If mitigation measures recommended by the staff of the lead agency as a result of the consultation process are not included in the environmental document or if there are no agreed upon mitigation measures at the conclusion of consultation, or if consultation does not occur, and if substantial evidence demonstrates that a project will cause a significant effect to a tribal cultural resource, the lead agency shall consider feasible mitigation.²¹
- **Examples of Mitigation Measures That, If Feasible, May Be Considered to Avoid or Minimize Significant Adverse Impacts to Tribal Cultural Resources:**
 - Avoidance and preservation of the resources in place, including, but not limited to:
 - Planning and construction to avoid the resources and protect the cultural and natural context.
 - Planning greenspace, parks, or other open space, to incorporate the resources with culturally appropriate protection and management criteria.
 - Treating the resource with culturally appropriate dignity, taking into account the tribal cultural values and meaning of the resource, including, but not limited to, the following:
 - Protecting the cultural character and integrity of the resource.
 - Protecting the traditional use of the resource.
 - Protecting the confidentiality of the resource.
 - Permanent conservation easements or other interests in real property, with culturally appropriate management criteria for the purposes of preserving or utilizing the resources or places.
 - Protecting the resource.²²
 - Please note that a federally recognized California Native American tribe or a nonfederally recognized California Native American tribe that is on the contact list maintained by the NAHC to protect a California prehistoric, archaeological, cultural, spiritual, or ceremonial place may acquire and hold conservation easements if the conservation easement is voluntarily conveyed.²³
 - Please note that it is the policy of the state that Native American remains and associated grave artifacts shall be repatriated.²⁴
- The lack of surface evidence of archaeological resources (including tribal cultural resources) does not preclude their subsurface existence.
 - Lead agencies should include in their mitigation and monitoring reporting program plan provisions for the identification and evaluation of inadvertently discovered archaeological resources.²⁵ In areas of identified archaeological sensitivity, a certified archaeologist and a culturally affiliated Native American with knowledge of cultural resources should monitor all ground-disturbing activities.
 - Lead agencies should include in their mitigation and monitoring reporting program plans provisions for the disposition of recovered cultural items that are not burial associated in consultation with culturally affiliated Native Americans.
 - Lead agencies should include in their mitigation and monitoring reporting program plans provisions for the treatment and disposition of inadvertently discovered Native American human remains. Health and Safety Code section 7050.5, Public Resources Code section 5097.98, and Cal. Code Regs., tit. 14, section 15064.5, subdivisions (d) and (e) (CEQA Guidelines section 15064.5, subs. (d) and (e)) address the processes to be followed in the event of an inadvertent discovery of any Native American human remains and associated grave goods in a location other than a dedicated cemetery.

Documentation of Cultural Resources Assessment

NAHC Recommendations for Cultural Resources Assessments

To adequately assess the existence and significance of tribal cultural resources and plan for avoidance, preservation in place, or barring both, mitigation of project-related impacts to tribal cultural resources, the NAHC recommends the following actions:

- Contact the NAHC for:
 - A Sacred Lands File search. Remember that tribes do not always record their sacred sites in the Sacred Lands File, nor are they required to do so. A Sacred Lands File search is not a substitute for consultation with tribes that are traditionally and culturally affiliated with the geographic area of the project's APE.
 - A Native American Tribal Contact List of appropriate tribes for consultation concerning the project site and to assist in planning for avoidance, preservation in place, or, failing both, mitigation measures.
 - The request form can be found at <http://nahc.ca.gov/resources/forms/>.
- Contact the appropriate regional California Historical Research Information System (CHRIS) Center (http://ohp.parks.ca.gov/?page_id=1068) for an archaeological records search. The records search will determine:

¹⁹ pursuant to Public Resources Code section 21082.3, subdivision (b), paragraph 2,

²⁰ (Pub. Resources Code § 21082.3 (a)).

²¹ pursuant to Public Resources Code section 21084.3 (b). (Pub. Resources Code § 21082.3 (e)).

²² (Pub. Resource Code § 21084.3 (b)).

²³ (Civ. Code § 815.3 (c)).

²⁴ (Pub. Resources Code § 5097.991).

²⁵ per Cal. Code Regs., tit. 14, section 15064.5(f) (CEQA Guidelines section 15064.5(f)).

- If part or the entire APE has been previously surveyed for cultural resources.
 - If any known cultural resources have been already been recorded on or adjacent to the APE.
 - If the probability is low, moderate, or high that cultural resources are located in the APE.
 - If a survey is required to determine whether previously unrecorded cultural resources are present.
- If an archaeological inventory survey is required, the final stage is the preparation of a professional report detailing the findings and recommendations of the records search and field survey.
 - The final report containing site forms, site significance, and mitigation measures should be submitted immediately to the planning department. All information regarding site locations, Native American human remains, and associated funerary objects should be in a separate confidential addendum and not be made available for public disclosure.
 - The final written report should be submitted within 3 months after work has been completed to the appropriate regional CHRIS center.



Problematic Wording

With the exception of mitigation measure MM-ARCHEO-4 (Human Remains) the entire section on Archaeological Resources addresses the specific needs of archaeological recovery, processing, analysis, and curation of materials recovered. This does not adequately address the discovery of tribal cultural resources where the culturally affiliated tribes would not consent to archaeological recovery. The inclusion of a Native American monitor and a discussion of measures for inadvertent culturally affiliated finds would address this concern adequately in the Draft EIR document.



Best Practices

Agencies should be aware that AB 52 does not preclude agencies from initiating tribal consultation with tribes that are traditionally and culturally affiliated with their jurisdictions before the timeframes provided in AB 52.

For that reason, we urge you to continue to request Native American Tribal Contact Lists and "Sacred Lands File searches from the NAHC. The request forms can be found online at: <http://nahc.ca.gov/resources/forms/>

- The NAHC's PowerPoint presentation titled, "Tribal Consultation Under AB 52: Requirements and Best Practices" may be found online at: http://nahc.ca.gov/wp-content/uploads/2015/10/AB52TribalConsultation_CalEPAPDF.pdf

Sincerely,



Gayle Totton
Associate Governmental Program Analyst
Gayle.totton@nahc.ca.gov

cc: State Clearinghouse

UNION PACIFIC RAILROAD
1400 Douglas Street, Stop 1580
Omaha, Nebraska 68179

Patrick R. McGill/UPC Senior Counsel-Real Estate, Law Dept.

P 402 544 5761
F 402 997 3603
prmcgill@up.com

February 23, 2016

VIA EMAIL ONLY: npaidar@planning.lacounty.gov
sdjones@planning.lacounty.gov

Los Angeles County
Regional Planning Commission
Attn.: Nooshin Paidar and Steven Jones
320 W. Temple Street
Los Angeles, California 90012

Re: Comments to proposed Rowland Heights Plaza and Hotel (the "Project")

Dear Ms. Paidar and Mr. Jones:

Thank you for allowing Union Pacific Railroad Company ("UP") the opportunity to submit the following comments in response to the notice on the above-referenced Project. UP is a Delaware corporation that owns and operates a common carrier railroad network in the western half of the United States, including the State of California. Specifically, UP owns and operates rail main lines connecting San Francisco to Sacramento and points east and north, and to Los Angeles and points east and southeast. UP is the largest rail carrier in California in terms of both mileage and train operations. UP's rail network is vital to the economic health of California and the nation as a whole and its rail service to customers in the Greater Los Angeles Area is crucial to the future success and growth of those customers.

The proposed Project location is adjacent to UP's Los Angeles Subdivision. Additionally, there are at-grade rail crossings over these tracks in nearby locations. Any land planning decisions should consider that train volumes near the Project area may increase in the future. UP also asks that the County and the Project developers keep in mind that this is a vital and growing rail corridor and nearby land uses should be compatible with this continuing rail use.



At-Grade Rail Crossing Safety

The safety of UP's employees, customers, adjoining land owners, and the communities we operate through is our top priority. At-grade rail crossings are areas where railroad operations and the public come into close contact. Due to the proximity of at-grade crossings to the Project location, it may make sense to notify the California Public Utilities Commission (CPUC) to schedule a diagnostic meeting regarding the proposed Project. Appropriate modifications to the street and warning devices on nearby rail crossings may need to be included as part of the Project. Should the Project be approved, UP suggests the County consider holding railroad and crossing safety presentations, such as Operation Lifesaver, for the public on an appropriate basis.

Increased Traffic Impact

Rail crossing safety is critical to the public and to UP. Any increase in traffic from the Project may render inadequate the current safety devices in place on nearby at-grade crossings. Additionally, an increase of pedestrian and vehicular traffic may conflict with train operations causing trains to proceed more slowly through the County, and/or make more frequent emergency stops, which would make rail service less effective and efficient. Should this Project be approved, UP requests that the developer and the County examine any increase in vehicular and pedestrian traffic and the impacts on the nearby at-grade road crossings to see if any additional mitigation measures should be included in the Project.

Trespassing

Any increase in pedestrian traffic will increase the likelihood of trespassing onto the railroad right-of-way. UP requests that the developer and the County examine the Project impacts associated with the increased likelihood of trespassing and set forth appropriate mitigation measures. In particular, the developer should install barrier walls or block fences, pavement markings and/or "no trespassing" signs designed to prevent individuals from trespassing onto the railroad tracks. Buffers and setbacks should also be required adjacent to the right-of-way.

Noise and Vibration Impact

UP's 24-hour rail operations generate the noise and vibration one would expect from an active railway. Any increase in pedestrian and vehicular traffic over and around at-grade crossings may result in additional horn use by UP employees. UP requests that, as a mitigation measure, the developer should disclose to the general public the daytime and nighttime noise levels naturally occurring with UP's long-standing freight rail service, including sounding horns at vehicle crossings where required, as well as the pre-existing and predictably-occurring vibration. These disclosures should note UP's anticipation that train volume may increase in the future. The Project's development plans should also include appropriate mitigation measures,

Los Angeles County
February 23, 2016

such as construction of sound barrier walls or landscape buffers, and/or use of sound-proofing materials and techniques.

Drainage

UP requests the County ensure that the drainage plan relating to the Project does not shift storm water drainage toward UP property and infrastructure. Any runoff onto UP's property may cause damage to its facilities resulting in a potential public safety issue. If the Project is approved, we ask that the County require the applicant to mitigate all safety risks and the impacts of the railroad's 24-hour operations during the construction of the Project.

UP appreciates the developer and the County giving due consideration to the above concerns, as this proposed Project may result in impacts to land use and public safety. Please give notice to UP of all future hearings and other matters with respect to the Project as follows:

Kristian Ehrhorn, Senior Manager - Real Estate
Union Pacific Railroad Company
1400 Douglas Street - STOP 1690 Omaha, NE 68179
(402) 544-8567
kjehrhorn@up.com

Please do not hesitate to contact Kristian Ehrhorn if you have any questions or concerns.

Sincerely,



Patrick R. McGill
Senior Counsel – Real Estate
Union Pacific Railroad Company

cc: Kristian Ehrhorn



20955 Pathfinder Road, Suite 210
Diamond Bar, CA 91765
Tel: (909) 869-6299
Fax: (909) 869-8039

Via email: sdjones@planning.lacounty.gov

March 7, 2016

Mr. Steven D. Jones
Los Angeles County Department of Regional Planning
320 W. Temple Street, Room 1382
Los Angeles, CA 90012-3225

Re: Project No. R2014-01529
Environmental Assessment No. RENV201400121

Dear Mr. Jones,

With respect to the draft Environmental Impact Report for above-referenced development project, we would like to provide the following comments:

Comments on the Traffic Impact Analysis:

- (1) The existing traffic data used was obtained in 2013, before the commencement of Nogales Street Grade Separation construction. Traffic data will change significantly after completion of the grade separation, which is expected in a few months. To accurately reflect the traffic patterns and volume after completion of the proposed development Project, new traffic data should be collected and analyzed after completion of Nogales grade separation, before Traffic Impact Analysis is approved by County of Los Angeles.
- (2) The Project proposes sharing of existing driveway used by 99 Ranch Market shopping center (referred to as Rowland Heights Plaza shopping center in the draft EIR). In addition to existing vehicle trips going through that driveway, the Project is expected to generate additional 1,092 vehicle trips per hour during the Saturday mid-day peak hours. Among the new vehicle trips, 80% of outbound and 70% of inbound traffic related to retail and restaurant uses are projected to go through that shared driveway; 100% of office use traffic and 20% of hotel traffic are also expected to go through the same driveway. With so much additional vehicle trips, and 3 ingress points plus 3 egress points placed so close to each other at the end of that driveway (highlighted in red circle in attached site plan), the possibility of increased traffic congestion and vehicle collisions is very real, and vehicles from the 99 Ranch Market shopping center might not be able to exit during peak hours. We recommend the following:

- The ingress and egress to BLDG 3 of the proposed Project should be relocated to the West or North side of the building, reducing the complexity of traffic pattern at the end of that driveway.
- Modify the Project's internal traffic circulation and parking patterns to direct more vehicles to the Project's new signaled middle entrance. Currently, of all restaurant and retail vehicle trips, only 15% outbound and 20% inbound vehicles are projected to utilize that new entrance.
- No pylon or monument signs for the Project shall be placed at the shared driveway to help directing vehicles entering the Project toward other entrances.
- Whether the recommendation of relocating entrance to BLDG 3 is adopted or not, an analysis of traffic patterns and turning movement volumes focused on the entrances at the end of the proposed shared driveway (highlighted with a red dot on the attached Intersection Turning Movement Volumes data sheet) should be conducted to make sure that after completion of the Project, vehicles can promptly and safely enter and exit both shopping centers during peak hours.
- No construction vehicles shall be allowed on the shared driveway during construction.

Comments on Parking Assessment:

- (1) For the 20,000 Square feet that can be developed as either medical office or retail space, the parking analysis assumes the entire area will be used as medical on weekdays and entire area will be used as retail on weekends. Many medical offices now open on Saturdays; therefore, certain area of the 20,000 SF should be considered as medical use on Saturday, which requires more parking.
- (2) Majority of hotel parking are either underground or behind the hotel buildings, they are unlikely to be fully utilized by restaurant and retail customers, and should be discounted accordingly in the shared parking analysis.

Sincerely yours,

Felix Chen

Felix Chen, President
Golden Pacific Realty, Inc.

Attachments

Figure 2
Site Plan

APN 8264-021-801
OWNER: UNION PACIFIC RAILROAD CO
C/L PACIFIC RAILROAD RIGHT OF WAY

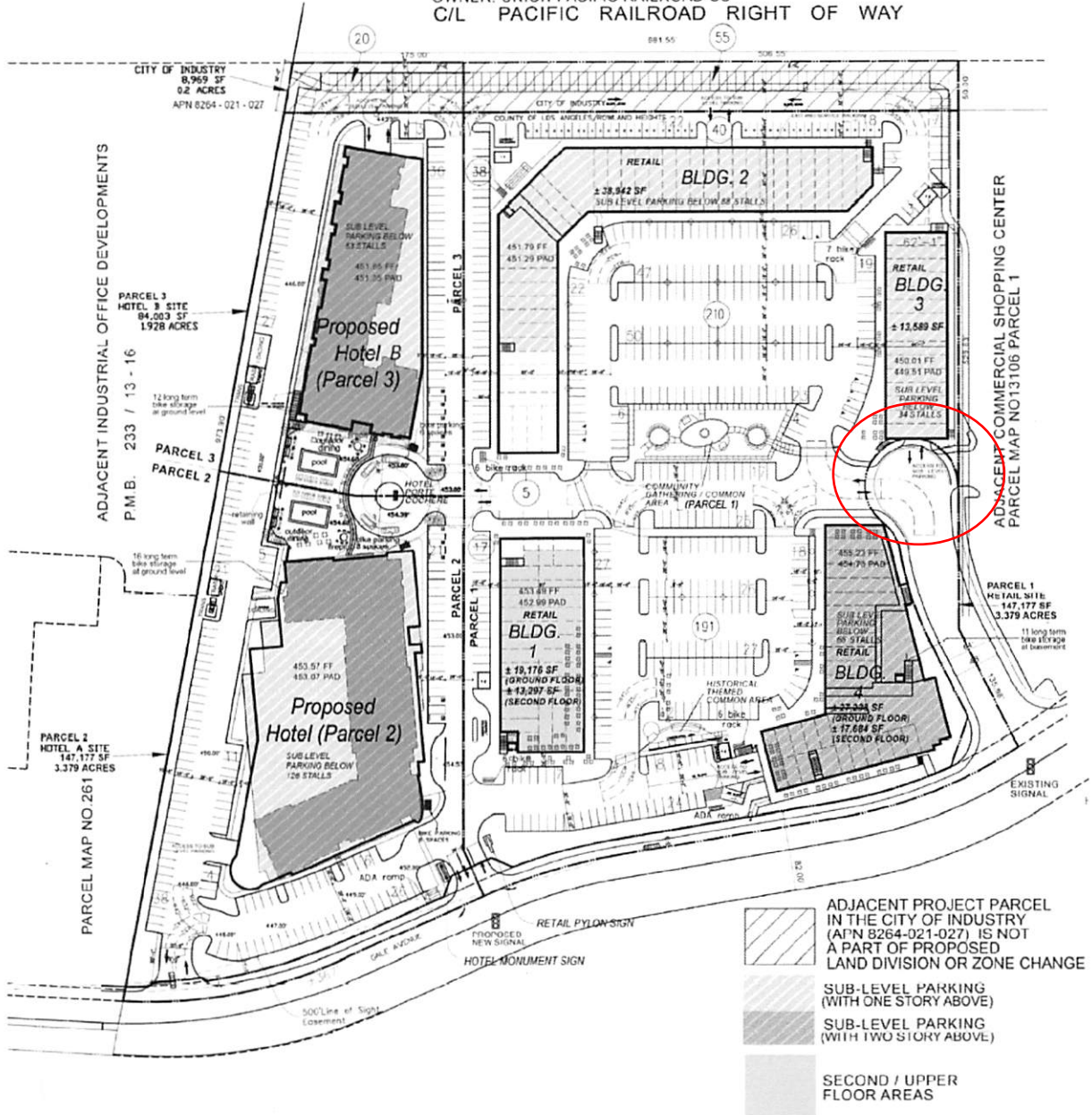
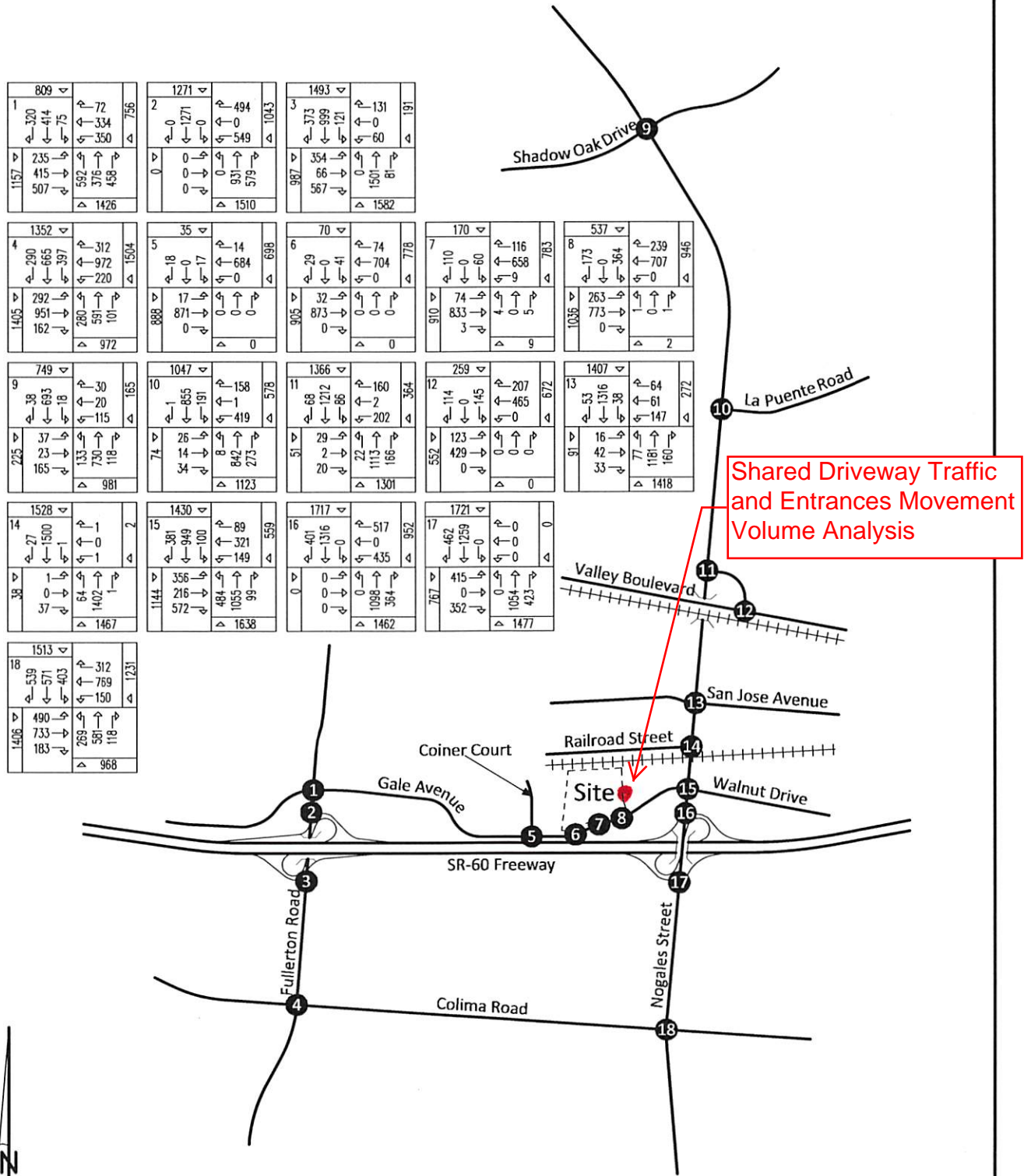


Figure 25
Existing Plus Project Saturday
Mid-Day Peak Hour Intersection Turning Movement Volumes



KUNZMAN ASSOCIATES, INC. Intersection reference numbers are in upper left corner of turning movement boxes.

OVER 35 YEARS OF EXCELLENT SERVICE

5089e/25



ROWLAND HEIGHTS COMMUNITY COORDINATING COUNCIL

"IMPROVING OUR COMMUNITY"

WWW.ROWLAND-HEIGHTS.ORG

P.O. Box 8171
Rowland Heights
California 91748

Email:
rhccc4RH@gmail.com

President
Ted Ebenkamp

**First Vice President
Programs**
Deborah Enos

**Second Vice President
Membership**
Roland Sanchez

**Third Vice President
Community
Improvement**
Henry Woo

Recording Secretary
DeAnn Joyce

**Corresponding
Secretary**
David Koo

Treasurer
Carla Sanchez

Historian
Charles Liu

Past President
Kingdon Chew

March 10, 2016

Mr. Steven Jones
Los Angeles County Department of Regional Planning
Land Divisions Section
320 West Temple Street
Los Angeles, California 90012

**SUBJECT: Rowland Heights Plaza and Hotel Project DEIR
Los Angeles County Department of Regional Planning, Land Divisions
Section.**

Project No. R2014- 01529 / Vesting Tentative Parcel Map No. RTM PM072916 /
Conditional Use Permit No. RCUPT201400062 / Zone Change No. RZCT201400008 /
Parking Permit No. RPKPT201400006 / Environmental Assessment RENV201400121

Dear Mr. Jones

On behalf of the Rowland Heights Community Coordinating Council the following comments (Attachment 1) are submitted to your agency as part of the public review process mandated by the California Environmental Quality Act (CEQA) and the State CEQA Guidelines. In accordance with § 15200 of the State CEQA Guidelines, these comments fit within the purpose of the public review process through: "(a) sharing expertise, (b) disclosing agency analyses, (c) checking for accuracy, (d) detecting omissions, (e) discovering public concerns, and (f) soliciting counter proposals."

Our purpose is to underscore the deficiency of the documentation and to recommend a new EIR approach and an alternative project design that reflects both the needs of the community and meets the intent of the Rowland Heights Community Plan (CP) and is true to the tenets of our Community Standards District (CSD).

This DEIR seeks to obtain Los Angeles County's approval of:

1. **Zone change** from M - 1.5 - BE (Restricted Heavy Manufacturing, Billboard Exclusion) to **C - 3 - DP (Unlimited Commercial - Development Program)** for proposed Parcels 2 and 3 for hotel uses;
2. Parking permit to allow approximately **342 fewer parking spaces** (1,161 in total) than the required 1,503 parking spaces for all proposed uses computed separately, and the use of 75 off-site parking spaces located within a 0.79-acre parcel within the City of Industry municipal boundary; and
3. Conditional use permit("CUP") to authorize:
 - Structures to **exceed the maximum height of 45 feet** above grade by 35 feet for a total of **80 feet for a new hotel** on proposed Parcel 2 and by 27 feet 4 inches for a total of **72 feet 4 inches** for a new hotel on proposed Parcel 3

As a reminder, a Community Standard District "implements special development standards adopted for a community and as a means of addressing special problems which are unique to certain geographic areas within the unincorporated areas of Los Angeles County." Yet, this project, in particular to items 2 and 3 above, seeks to override two major areas of community concern (density, aesthetics and building height) and special problem areas (parking and traffic) and why the community has an adopted CP and CSD.

It is both widely known and documented that circulation within our community has negatively suffered from development that has occurred at the hands of past CUP's and Zone changes. Our streets are congested and surface street movement options are limited due to topography, two major freeways and the impacts related to the goods movement industry including trucking and freight trains that snarl traffic and mercilessly block intersections. Highly impacted streets include Azusa, Fullerton, Nogales, Colima and Gale. All of which will be significantly impacted by this proposed project; yet, there is only limited mitigation measures being proposed in the DEIR to absorb the additional 10,000 plus daily vehicle trips this project will generate.

In our review of the DEIR, aided by a registered civil engineer, we have identified a variety of concerns for a project of this scale and impact including the continual and cumulative dilution of our Community Plan, our CSD, land use planning (including proposed county zoning changes), traffic and parking, cumulative affects and aesthetics. The DEIR does not "adequately and properly" comply with the state environmental regulations by acknowledging and fully outlining the impacts of the proposed project and cumulative affects. Additionally, the DEIR has not proposed sufficient mitigation measures for the significant and unavoidable impacts of the proposed project.

14
127

We urge the County to work with the community, as stakeholders and purported to be the beneficiaries of the project as noted in the DEIR, to achieve a more environmentally and thoughtfully designed project that WILL meet the goals of the community and the developer without bringing further harm to our community. We urge the County to consider a Reduced Density Alternative, considered the environmentally superior alternative, that can meet the primary purpose and objectives of the Project. We reject the conclusion that a compromise in design and density cannot fully meet the intent of the project and be economically feasible.."

We strongly urge the County to reject the DEIR in its current form and instruct the project proponent to perform further environmental analysis and propose changes in the project and increase mitigation efforts in order to make this project the best it can, and more importantly, should be. Thank you for this opportunity to comment on the proposed project. Please send to us your agency's responses to our comments on the subject Draft EIR, along with further information on the environmental planning phase of this project.



Sincerely,
Debbie Enos
First Vice President
Rowland Heights Community Coordinating Council
P.O. Box 8171
Rowland Heights, CA 91748

Attachment 1

Land Use Planning.

A zoning change is proposed from M-1.5 to a C-3-(DP) zoning for hotel use and a parcel map proposed to subdivide the site into three parcels for commercial condominium units. The hotel structures include a Conditional Use Permit to allow the hotel structures to exceed 45 feet above grade, the sale of alcoholic beverages for on-site consumption, and on-site grading of more than 100,000 cubic yards of soil which would fall under County mass grading permitting codes.

- Without the Conditional Use Permit, these impacts would render the project unable to be permitted.
- The zoning change permits a much higher density of use than permitted under existing zoning.
- Topographic features once characteristic of the site will be destroyed and are immitigable.

A Community Standard District "implements special development standards adopted for a community and as a means of addressing special problems which are unique to certain geographic areas within the unincorporated areas of Los Angeles County."

The DEIR does not sufficiently demonstrate the need of the community for the project nor the meeting of the needs of the community by the projects design. To the contrary, the project is designed for the benefit of travelers and non-residents and at the detriment of the community by significantly impacting traffic without sufficient mitigation; ignoring local parking norms by proposing less spaces than required and changing the community's aesthetic by constructing buildings up to two times the maximum allowed height.

Furthermore, developing a project that includes over 150 condominium retail/restaurant/office space units compounds the land use concerns of the community that the Zone Change would allow such as unenforceable signage pollution, concentrating nuisance and crime attracting businesses (massage parlors, hookah bars, etc), fostering the addition of more culturally isolated businesses and promoting the negative local practice of subletting space within spaces effectively exponentially increasing density without mitigating the resulting traffic and parking congestion.

The DEIR insufficiently supports the community's need for the project and insufficiently mitigates the negative impacts of the much higher density project if the CUP and Zone Change that overrides the CSD and Community Plan is approved.

Traffic and Parking.

The project results in a much higher density of use and higher traffic and parking requirements than the current manufacturing zoning. Specific provisions are included in the DEIR to monitor limitations in tenant use, which highlights this concern. For example, the DEIR states:

“Commercial Center with a total of 1,561 occupants, no further restaurant uses may be approved by the Commercial Center Association. Occupant loads may be reallocated among restaurant unit owners with the prior approval of the Commercial Center Association (and such approvals from the County and Director’s Review as are required by the County), but under no circumstances will the total occupant load for all restaurant uses in the Commercial Center exceed 1,561 occupants.”

The DEIR further states:

“Under Future (2020) With Project Plus Cumulative Traffic conditions, operational impacts would exceed the applicable County significance threshold at five intersections during the Saturday mid-day peak and one intersection during the A.M. and P.M. weekday peaks.” This is demonstrated in Appendix I, Table 6 which documents Existing plus Project plus Cumulative Intersection Capacity Utilization and Level of Service. An examination of Table 7, Existing plus Project plus Cumulative Significant Impact Evaluation, these impacts are mitigatable at certain intersections, and not at others.

- Further we contend the DEIR is insufficient in the mitigation proposed based on 2013 data and not utilizing current traffic study nor sufficiently account for current traffic of comparable intersections of Azusa and Gale, Azusa and 60 Freeway and Azusa and Colima that reflects a post project 2020 future condition today.
 - Today, this intersection is consistently congested with traffic at peak weekday AM and PM hours, and more particularly during the morning hours where vehicles and trucks utilizing double turn lanes (one of the proposed mitigation measures for the proposed project) consistently block through-traffic causing gridlock and excessive delays.
 - The DEIR did not utilize current traffic study data and instead relied on data collected in 2013, which is more than a year old, and thus has insufficiently modeled both the current conditions and the with project forecast.
 - The County of Los Angeles Department of Public Works has established the following Guidelines for the preparation of Traffic Impact Analysis (TIA) reports. The source and date of the traffic volume information shall be indicated. **Count data should not be over one year old.**
 - Since peak volumes vary considerably, a ten percent daily variation is not uncommon, especially on recreational routes or roadways near shopping centers; therefore, representative peak-hour volumes are to be chosen carefully.
 - Traffic generated by a project considered alone or cumulatively with other related projects, when added to existing traffic volumes, exceeds certain capacity thresholds of an intersection or roadway, contributes to an unacceptable level of service (LOS), or exacerbates an existing congestion.

- Cumulative Projects failed to sufficiently address the development currently in progress and cumulative effects.
- Traffic impacts and proposed mitigation measures should be reviewed in connection with the justification for a Statement of Overriding Concerns, not yet included in the DEIR document set, to accommodate these unmitigated impacts.
- DEIR fails to sufficiently demonstrate that the valet-managed parking program for the hotels developed within the Project (LACC 22.56.990.C.2) is consistent with cultural norm in the community and would be successful.
- DEIR failed to sufficiently support of the utilization in contrast to community norms which would allow for a permit variance to reduce on-site parking based on shared use of parking facilities by two or more uses within the development (LACC 22.56.990.C.1)

The DEIR does not sufficiently address the impact of truck deliveries upon traffic, parking and circulation for the proposed project.

- The project failed to sufficiently consider the impact and/or benefit of establishing a delivery access drive off Railroad Street onto the project site and thus elevating some new truck traffic from accessing the project off Gale from Fullerton Road and Nogales.

Aesthetics.

The project includes a Conditional Use Permit to allow building heights in excess of 45 feet. However, the report is deficient in that there is not a focused aesthetics impacts analysis in either the main report or appendices to document these impacts. Analysis techniques should be explored and utilized to assess these impacts, if possible.

- The impact evaluation should include without limitation impacts of nighttime glare, daytime reflections, building shadow, and nearby and distant viewsheds from the surrounding community and of hotel tenants.

The DEIR references the CSD in regards to signage requirements and standards and reflects signage on elevations and conceptual renderings contained in the report. However their is no signage plan that specifically speaks to the disconnect between developing over 150 condominium retail units and not having over 150 exterior business signs. The elevations appear to reflect 1 business per every 2 or 3 potential thresholds. Yet the development could result in significantly more businesses and thus more impacts to the community by way of signage pollution, parking insufficiency, increased traffic and visual eyesore of shoebox retail establishments.

Open Space and Recreation.

- The DEIR does not adequately address the need for additional recreational opportunities in this very Park poor area of Rowland Heights and as identified in the 2015-2016 Los Angeles Counties Parks Needs Assessment demographic data. The Park Needs assessment specifically identifies the area South of the Project site and within 1/2 mile as severely park poor with no access to park or open space within walking distance. The Community's Top 10 prioritized projects, collected on January 20, 2016, reflect a strong need and desire for new parks, and specialty recreational facilities that would be suitable at this project location including a: dog park, skate park, gymnasium, and/or lighted multiple sports/soccer fields.

Project Alternatives.

The DEIR must address project alternatives, including alternative scale and scope, and non-project alternatives. Alternatives seem to be reasonably well developed in the DEIR. The project considers four alternatives as detailed in Chapter 5 of the main report: the No Project/No Build Alternative, Reduced Intensity Alternative, and two Code-Compliant Alternatives that address other proposed uses on the Project Site. State CEQA Guidelines require identification of an environmentally superior Alternative other than the No Project/No Build Alternative. A comparative evaluation of the Alternatives indicates that the Reduced Intensity Alternative would be the environmentally superior Alternative. However, the DEIR significantly concludes:

“Among those alternatives, no feasible alternative was identified that would avoid the Project’s significant unavoidable impacts. The Reduced Density Alternative, which has been identified as the environmentally superior alternative, would reduce the potential for significant unavoidable operational traffic impacts and air quality impacts. However, significant unavoidable traffic impacts would still occur at one or more intersections. As discussed in more detail in Chapter 5.0, Alternatives, while the Reduced Density Alternative is considered the environmentally superior alternative, it would only partially meet the primary purpose and objectives of the Project, which are stated and enumerated in Subsection B above.”

- The DEIR project alternative analysis is insufficient in demonstrating that the environmentally superior Reduced Density Alternative could not fully meet the project objectives.

EDWARD ROWLAND LLC

515 SOUTH FIGUEROA STREET
SUITE 1028
LOS ANGELES, CA 90071-3300
TELEPHONE 213-891-1928
FACSIMILE 213-891-9029

March 10, 2016

Mr. Steven D. Jones
Principal Regional Planning Assistant
Land Divisions
Los Angeles County Department of Regional Planning
320 W. Temple Street, Room 1382
Los Angeles, CA 90012-3225

Re: Project No. R2014-01529
Environmental Assessment No. RENVT201400121
Parking Permit: T201400006

Dear Mr. Jones,

I oversee the operations of Mandarin Plaza (“MP”) located at 18900-18932 E. Gale Avenue in Rowland Heights. MP is the retail center to the south-east of the subject proposed development. On behalf of the ownership and tenants of MP, I would like to share the following comments:

1. Parking Permit T201400006

MP contains approximately 58,546 s.f. of retail, restaurant, and office spaces. MP provides, and is required to provide per Code, at least 490 parking spaces. Around 3 p.m. each day, MP’s parking lot starts to fill up completely, and the parking lot continues to be about 100% fully utilized each day until closing in the late evening. On Fridays, Saturdays, Sundays, and holidays, every single parking space of MP is utilized almost all hours of the day when the businesses are open.

In addition to two hotels, the applicant is proposing 129,926 s.f. of retail, restaurant, and office spaces. The tenant mix within MP (that is, the ratio of retail to restaurant to office uses) is a result of the business demands of the community, and since the proposed development is located diagonally across from MP, the tenant mix at the proposed development should be very similar. Therefore, based on MP’s *required* number of parking spaces (that is, 490 parking spaces which are fully utilized for 58,546 s.f.), the proposed development should have at least 1,087 parking spaces for the 129,926 s.f. of its retail/restaurant/office portions *alone*. Instead, the applicant is proposing 1,156 parking spaces *in total*, including just 69 additional parking spaces for the 477 hotel rooms and hotel employees, based on the theory of “shared use”.

Mr. Steven D. Jones
March 10, 2016
Page Two

The 477 hotel rooms contained in the proposed development would normally require an additional 477 parking spaces plus 48 parking spaces for employees, per Code. (I will ignore for now other parking requirements such as for the hotels' meeting spaces.) The total comes to 1,612 required parking spaces (1,087 + 477 + 48) as compared to the much reduced 1,156 parking spaces the applicant is proposing. The difference between 1,612 and 1,156 is 456 parking spaces. *456 missing parking spaces is a HUGE deficit.* We are seriously concerned that when the proposed development runs out of parking spaces, the patrons of the new development will park at MP. We have firsthand knowledge that patrons of 99 Ranch Market parked at MP when the market ran out of parking spaces due to the Alameda Corridor East ("ACE") construction which took away many parking spaces at the market, and MP's parking became a chaotic mess at that time.

We understand that a parking study has been prepared to support shared uses of parking spaces amongst retail/restaurants/offices and the hotels at the proposed development, in order to justify the reduction of about 456 parking spaces. Unfortunately, that parking study is not made available to the public. However, at MP, we have firsthand knowledge of the neighborhood for the past 25 years, and we know the ACTUAL parking requirements, as compared to some theoretical parking model prepared by an outside consultant who is hired to speak for the developer. *Where will people park if the 456 missing parking spaces are indeed needed, as supported by MP's parking data? Is there a contingency plan for parking if the parking study turns out to be absolutely incorrect? Who will pay for the consequences of inadequate parking? There is no street parking whatsoever to make up for any of the parking shortage. We request that the proposed development provide at least the minimum parking as required by Code, without any "shared use" reduction. We also request that the parking study for the parking permit application be made available for public review.*

2. Traffic Congestion

Gale Avenue and the general vicinity are famously known for traffic congestion and bumper-to-bumper traffic most hours of the day. During construction of the proposed development, with total volume of grading of over 1 million cubic yard and construction of over 450,000 s.f. of hotel and retail spaces, Gale Avenue and the vicinity will be unbearably burdened for a number of years. After completion of construction, the huge development will continue to add to that burden. We worry that patrons of MP and other existing hotel and centers along Gale will have serious difficulty with ingress and egress, and that Gale Avenue traffic will come to a complete stop. And this all comes after MP and neighboring businesses suffered several years from the current ACE construction at Nogales.

With the much anticipated Nogales underpass completion in mid-2016, traffic and traffic patterns are expected to change. There will be other ACE underpass construction at nearby locations, at Fairway and at Fullerton. Closure of Fairway and Fullerton will also bring change

Mr. Steven D. Jones
March 10, 2016
Page Three

to the traffic pattern at Gale. We request an updated traffic study be done AFTER completion of the Nogales underpass, and that the traffic study include analysis of the potential impact from the impending nearby ACE construction.

Parking shortage and traffic congestion are serious problems that threaten public health and safety. We thank you for giving our comments serious consideration.

Sincerely,



Mary M. Chan
Vice President

March 11, 2016

Mr. Steven Jones
Los Angeles County Department of Regional Planning
Land Divisions Section
320 West Temple Street
Los Angeles, California 90012

SUBJECT: Rowland Heights Plaza and Hotel Project DEIR

Los Angeles County Department of Regional Planning, Land Divisions Section.

Project No. R2014- 01529 / Vesting Tentative Parcel Map No. RTM PM072916 / Conditional Use Permit No. RCUPT201400062 / Zone Change No. RZCT201400008 / Parking Permit No. RPKPT201400006 / Environmental Assessment RENVT201400121

Dear Mr. Steve Jones,

On behalf of Royal Vista Neighborhood Watch Team residing within the boundaries of unincorporated Rowland Heights and representing the greater voice of Royal Vista Golf Course Community, I, Kingdon Chew, will briefly make some obvious observations and comments to the DEIR. As an active member and board member of RHCCC I am fully aware of the Rowland Heights CSD I have made an attempt to review and read all four volumes of the DEIR. However, with a full time job and several recent unexpected job and family emergencies I was not able to complete a full review or reading. With that said I have reviewed other DEIRs of other communities outside of Rowland Hts.

Furthermore, I will hope that this is a supplement to what RHCCC has or had submitted to your office so this would not be repetitive but may highlight some similar issues/points of concern or introduce new perceptives.

As many residents know there is a residential density issue in Rowland Hts which propagates into more vehicles thus more traffic. Traffic studies in the past have never really depicted this because it may be due to the day/hour of such studies. But it's real from a person who commutes via the Foothill Transit bus during the weeks and attempt to drive around Rowland Hts during the weekends. More new commercial developments have a positive impact mainly or directly financial but it doesn't equal to the negative impacts which is environmental, financial and sociological. The latter which is not discussed or measure in the DEIR.

The need for a zoning change and CUP is procedural but the building height limit is not being recognized in the proposed development of the hotel. From personal observation there is only one building along the 60Fwy from 605 to 57 that is over three stories tall and that is the newly constructed office building by 605 and 60 which is either in City of Industry or Whittier. In any case it's outside of Rowland Hts but still the consistency is still there "mostly three stories commercial buildings. Driving along the 60 Fwy and looking north what you see is rolling hills and the San Gabriel Mountains. It makes a nice compliment when you're stuck in traffic every morning and evening to look over and having that view ease the tension. From Hacienda Hts to 57 Fwy on the 60 Fwy is the most congested and two six stories building would be an eye sore.

Secondly, along these nearby road/streets namely, Gale, Walnut Drive, Railroad Ave, San Jose, Colima, Valley Blvd, Fullerton, Azusa, Fairway and soon the new Lemon Ave on/off ramps; there is no relief in sight. Many Rowland Hts residents don't even shop within Rowland Hts but prefer to travel southward to Brea or as far as Chino Hills. For me I travel to San Dimas just to get away from it all. Where's the traffic coming from especially during the weekends it's everyone from other communities as far as Las Vegas, Pacific Palisades, Long Beach, Irvine, Yorba Linda and Torrance. Yes, our Asian restaurants are comparably better than theirs but in reality we have quantity and not quality. Many locals complain about no variety or diversity which means traveling outside on weekends which becomes a financial and ecological wear and tear.

Residents are concerned about the increase water usage as everyone now is fully aware of supply and demand which equates to higher water rates. Whether you are a consciously conserving water the rates still goes up because it's the demand over-all and the respective maintenance cost overall to supply such service.

The fact that within the DEIR mentioning of surrounding areas are urban stunned me. From a person who was born and raised in San Francisco, worked in New York Manhattan area, Houston and even in Beverly Hills what is urban about Rowland Hts and the surrounding areas; I considered as well as others that this is suburbia. Is the County recognizing the population density issue out here which is normally in "cities" or metropolitan areas?

Looking and living among the ever growing population and even more so the uncontrolled/monitoring of the commercial developments not by the County but more neglected by RHCCC the quality of life is deteriorating. Yes, most don't complain because they accept this as the norm since many residents are from overseas mainly China and Taiwan. But even they were escaping from the density issue back home.

The concept of just over 150 condo-like spaces for retail/restaurants/office is definitely catering to Asian businesses but seriously we are being suffocated. The excessively duplication of the above mentioned is overwhelming. Quality over quantity is what is needed. You can have in high-end as Parallax has continuously mentioned to me but it depends on the tenants. Do we have high-end residents? Well, Fuana, a high-end bedding/linen from China just closed in February 2016 in Diamond Plaza. They barely lasted from summer 2014.

The economy is not there yet but to be fair we are not trying to separate from the have and have-nots. No we are not. If we had high-end stores among the 150 or more condo units how long would they last. What type of on-stock inventory would they have in such a small place?

Yes, Congressman Royce got the federal funding for expansion and curing of the 57/60 Fwy issue but in 2013 there was also a growing allowance of business visas into the US from Southeast Asia. This was mentioned by Congressman Royce in 2013 during the Asian Business Seminar. So again, I see the need for the hotel and mall but that's not related to the care and feeding directly to this community, Rowland Hts or for that no matter to the other surround communities.

The DEIR does not take into account of the "care and feeding" concept between residents and commercial/retail coexistence. This concept is sometimes misunderstood as it really dictates that the residents feed the commercial/retail monetarily while the care is coming from the commercial/retail businesses.

The proposed project is not a good fit for Rowland Hts. There is a solution or compromise but after several proposed and modified proposals; it's not there. Moreover, these were never fully divulged to the residents by RHCCC. It was only to less than 70 attendees during June 2013-June 2015 RHCCC Public meetings.

In closing, not a good fit as is. Let's try the "care and feeding" concept and I strongly believe if residents are fully aware they would contribute more. Parallax is relying on RHCCC but RHCCC in this case does not have the heartbeat of the residents.

Thank you so much for your time and consideration to this response. Royal Vista Neighborhood Watch Team and Golf Course Community are appreciative of your duties. We are always willing, able and ready to work together for a better tomorrow.

Sincerely,

Kingdon W. Chew
Captain (Royal Vista Neighborhood Watch Team)
Unofficial spoke person for Royal Vista Golf Course Community (2004-present)
RHCCC former President
RHCCC Board member 2008-present

Please accept this electronic respond as I don't have access to a printer to sign, scan to your office.

March 11, 2016

Mr. Steven Jones
Los Angeles County Department of Regional Planning
Land Divisions Section
320 West Temple Street
Los Angeles, California 90012

SUBJECT: Rowland Heights Plaza and Hotel Project DEIR

Los Angeles County Department of Regional Planning, Land Divisions Section.

Project No. R2014- 01529 / Vesting Tentative Parcel Map No. RTM PM072916 / Conditional Use Permit No. RCUPT201400062 / Zone Change No. RZCT201400008 / Parking Permit No. RPKPT201400006 / Environmental Assessment RENVT201400121

Dear Mr. Jones,

This letter is in opposition to the draft environmental impact report on the project listed above. I spoke at the open Hearing this month in regards to the inadequacy of parking.

The shopping center is too large for the property size, reflected by inadequate parking. We ask that the project be downsized.

The report indicates that, as listed, it would lead to a development approximately 342 spaces short of what is required by County regulations. This is not just a few spaces short! It is my contention that the project should be smaller to allow for the proper number of parking spaces required.

Please also note that the new center will be next to a busy market/restaurant center, and across the street from a motel. Customers from these businesses will also use the proposed center parking spaces to meet their needs.

It seems that when developers want to build in Rowland Heights, the people have to make concessions for them in OUR community. It is we, the people, who suffer the consequences of increased congestion and the inadequacy of room for automobiles that such projects attract. These owners publicly stated that they will not own the project forever. If we do not get it right from the onset, they will be long gone, and it is the community residents who will be left to face the resultant problems day after day, year after year.

Please work with us and listen to the concerns of the residents, by reducing the density of the project.

Thank you,

Lynne Ebenkamp
Rowland Heights resident

DEPARTMENT OF TRANSPORTATION
DISTRICT 7-OFFICE OF TRANSPORTATION PLANNING
100 S. MAIN STREET, MS 16
LOS ANGELES, CA 90012
PHONE (213) 897-9140
FAX (213) 897-1337
www.dot.ca.gov



*Serious drought.
Help save water!*

March 17, 2016

Mr. Steven Jones
County of Los Angeles
Department of Regional Planning
Land Division Section, Room 1382
320 West Temple Street
Los Angeles, CA 90012

RE: Rowland Heights Plaza & Hotel Project
Vic. LA-60/PM 20.428
SCH # 2015061003
Ref. IGR/CEQA No. 150601AL -NOP
IGR/CEQA No. 160147AL -DEIR

Dear Mr. Jones:

Thank you for extending the comment period and including Caltrans comments in the environmental review process for the above referenced project. The Project proposes to subdivide one 14.06-acre lot into three parcels, including one industrial parcel developed with commercial retail uses and two commercial parcels developed with hotels located at 18800 Railroad Street within unincorporated Los Angeles County.

Proposed Parcel 1 (8.75 gross acres) is adjacent to the Rowland Heights Plaza Shopping Center to the east and would be developed as a retail shopping center with commercial condominium units to accommodate retail, restaurant, and office uses. Proposed Parcel 2 (3.38 gross acres), which is adjacent to the Concourse Business Park to the west, would be developed with a full-service hotel, generally intended for business travelers and families, totaling 275 guest rooms and approximately 189,950 square feet. Proposed Parcel 3 (1.93 gross acres), also adjacent to the Concourse Business Park, would be developed with an extended-stay hotel, generally intended for business travelers, totaling 202 guest rooms and approximately 130,930 square feet.

On Table 2 Project Trip Generation (page 26) of the Traffic Impact Analysis (TIS) prepared on December 2, 2015, the project will generate 10,357 ADT, 541/846/1,092 AM/PM/Sat. peak hour trips. We understand many trips will be utilizing the State facilities.

On Table 1 (TIS, page 16) Existing Intersection Capacity Utilization and Level of Service (LOS), the (study location # 15) Gale Avenue/Walnut Drive and Nogales Street is operating at LOS F and the (study location # 16) SR-60 WB off-ramp to Nogales is operating at LOS C during peak hours. On page 38, Figure 21 Project Saturday Mid-Day Peak Hour Intersection

Turning Movement Volumes, the project will generate 99 trips (study location # 16) for SR-60 WB off-ramp and 206 left-turn trips from NB Nogales Street to Gale Avenue (study location #15). The distance between study locations #15 and 16 is short and may create weaving problems when the project is built out. In addition, there may be queuing on the off-ramp if the weaving issue at this location is not resolved.

On March 16, 2016, Caltrans and the County staff had a conference call discussing potential traffic impact locations and feasible mitigation. To reiterate the discussion, here is Caltrans recommendation.

1. For study location # 16 (WB SR-60 to Nogales Street), there should be double left-turn and double right-turn lanes the off-ramp.
2. For study location # 15 (NB Nogales Street to Gale Avenue), there should be double left-turn onto Gale Avenue.
3. All signals at and near Caltrans right-of-way should be synchronized to facilitate traffic flow.
4. Please provide the exact distance for the improvement to construct an additional northbound through travel lane, described on page 54 of TIS study location #3. The feasibility of this improvement should be discussed.
5. On page 54 of the TIS, study location #1 improvement to construct an additional westbound left turn lane. The feasibility of this improvement should be discussed.

Since the project may modify existing lane configuration as mitigation, please be reminded that any work performed within the State Right-of-way will require an Encroachment Permit from Caltrans. Any modifications to State facilities must meet all mandatory design standard and specifications.

Storm water run-off is a sensitive issue for Los Angeles and Ventura counties. Please be mindful that projects should be designed to discharge clean run-off water. Additionally, discharge of storm water run-off is not permitted onto State highway facilities without any storm water management plan.

Transportation of heavy construction equipment and/or materials, which requires the use of oversized-transport vehicles on State highways, will require a transportation permit from Caltrans. It is recommended that large size truck trips be limited to off-peak commute periods.

In addition, a truck/traffic construction management plan is needed for this project. Traffic

Mr. Steven Jones
March 17, 2016
Page 3

Management Plans involving lane closures or street detours which will impact the circulation system affecting traffic to and from freeway on/off-ramps should be coordinated with Caltrans.

We understand that some of the recommended mitigations may be funded by the rail road undercrossing project currently under construction. If not, the project applicant would have to implement the mitigation. We will continue to work with the County to resolve traffic issues on the State facilities.

If you have any questions, please feel free to contact Alan Lin the project coordinator at (213) 897-8391 and refer to IGR/CEQA No. 160147AL.

Sincerely,



DIANNA WATSON
Branch Chief
Community Planning & LD IGR Review

cc: Scott Morgan, State Clearinghouse



EDMUND G. BROWN JR.
GOVERNOR

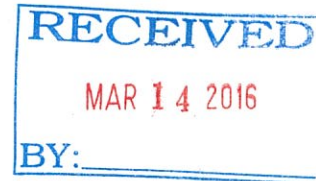
STATE OF CALIFORNIA
GOVERNOR'S OFFICE *of* PLANNING AND RESEARCH
STATE CLEARINGHOUSE AND PLANNING UNIT



KEN ALEX
DIRECTOR

March 11, 2016

Steven D. Jones
Los Angeles County
320 West Temple Street, Room 1362
Los Angeles, CA 90012



Subject: Rowland Heights Plaza & Hotel Project
SCH#: 2015061003

Dear Steven D. Jones:

The State Clearinghouse submitted the above named Draft EIR to selected state agencies for review. On the enclosed Document Details Report please note that the Clearinghouse has listed the state agencies that reviewed your document. The review period closed on March 10, 2016, and the comments from the responding agency (ies) is (are) enclosed. If this comment package is not in order, please notify the State Clearinghouse immediately. Please refer to the project's ten-digit State Clearinghouse number in future correspondence so that we may respond promptly.

Please note that Section 21104(c) of the California Public Resources Code states that:

"A responsible or other public agency shall only make substantive comments regarding those activities involved in a project which are within an area of expertise of the agency or which are required to be carried out or approved by the agency. Those comments shall be supported by specific documentation."

These comments are forwarded for use in preparing your final environmental document. Should you need more information or clarification of the enclosed comments, we recommend that you contact the commenting agency directly.

This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act. Please contact the State Clearinghouse at (916) 445-0613 if you have any questions regarding the environmental review process.

Sincerely,

Scott Morgan
Director, State Clearinghouse

Enclosures
cc: Resources Agency

**Document Details Report
State Clearinghouse Data Base**

SCH# 2015061003
Project Title Rowland Heights Plaza & Hotel Project
Lead Agency Los Angeles County

Type EIR Draft EIR

Description Project would subdivide the portion of the Project Site in the unincorporated County into three parcels. Parcel 1 (8.75 gross acres/8.18 net acres), comprising the eastern portion of the Project Site, would be developed with approx. 129,926 gross sq. ft. of retail, restaurant, and commercial uses (Commercial Center). As part of the Vesting Tentative Parcel Map filed for the Project, 155 commercial condominium units would be created on Parcel 1, the Commercial Center. Parcel 2 (3.38 gross acres/3.22 net acres) would be developed with a full-service hotel with 275 guestrooms and suites, meeting rooms, and a reaturant, totaling approx. 189,950 gsf. Parcel 3 (1.93 gross and net acres) would be developed with an extended-stay hotel with 202 guestrooms and suites and totaling 130,930 gsf. The developed square footage for the three parcels would total approx. 450,806 gsf. The average floor-area ratio (FAR) on the portion of the Project Site in the unincorporated County is 0.74:1.

Lead Agency Contact

Name Steven D. Jones
Agency Los Angeles County
Phone 213 974 6433 **Fax**
email
Address 320 West Temple Street, Room 1362
City Los Angeles **State** CA **Zip** 90012

Project Location

County Los Angeles
City
Region
Lat / Long 33° 59' 43" N / 117° 53' 32" W
Cross Streets Nogales Street and Gale Avenue
Parcel No. 8264-021-020, 8264-021-027
Township 2N **Range** 10W **Section** **Base** SBB&M

Proximity to:

Highways Hwy 60
Airports No
Railways UPRR
Waterways San Jose Creek Diversion Channel
Schools Santana HS, Rorimer ES
Land Use Vacant (Intersection Bypass)/M-1.5-BE (Restricted Heavy Manufacturing, Billboard Exclusion)/I-Major Industrial

Project Issues Air Quality; Archaeologic-Historic; Biological Resources; Drainage/Absorption; Flood Plain/Flooding; Geologic/Seismic; Noise; Public Services; Sewer Capacity; Soil Erosion/Compaction/Grading; Traffic/Circulation; Water Quality; Wetland/Riparian; Growth Inducing; Landuse; Cumulative Effects; Aesthetic/Visual

Reviewing Agencies Resources Agency; Department of Fish and Wildlife, Region 5; Office of Historic Preservation; Department of Parks and Recreation; Department of Water Resources; California Highway Patrol; Caltrans, District 7; Air Resources Board; Regional Water Quality Control Board, Region 4; Department of Toxic Substances Control; Native American Heritage Commission; Public Utilities Commission

Date Received 01/26/2016 **Start of Review** 01/26/2016 **End of Review** 03/10/2016



Clear
8/10/16
E

Governor's Office of Planning & Research

February 8, 2016

FEB 23 2016

STATE CLEARINGHOUSE

Steven Jones
County of Los Angeles
320 West Temple Street, Room 1382
Los Angeles, CA 90012

Re: SCH# 2015061003, Rowland Heights Plaza and Hotel Project, Draft EIR, Rowland Heights, Los Angeles County, California

Dear Mr. Jones:

Introduction

The Native American Heritage Commission (NAHC) has reviewed the Draft EIR for the project referenced above. The California Environmental Quality Act (CEQA) (Pub. Resources Code § 21000 et seq.), specifically Public Resources Code section 21084.1, states that a project that may cause a substantial adverse change in the significance of an historical resource is a project that may have a significant effect on the environment.¹ If there is substantial evidence, in light of the whole record before a lead agency, that a project may have a significant effect on the environment, an environmental impact report (EIR) shall be prepared.² In order to determine whether a project will cause a substantial adverse change in the significance of a historical resource, a lead agency will need to determine whether there are historical resources with the area of project effect (APE).

Please reference the following sections (if checked):

1. Documentation of Contact/Consultation with Tribes
2. Documentation of Mitigation for the Protection of Tribal Cultural Resources and Native American Human Remains
3. Documentation of Cultural Resources Assessment
4. Problematic Wording
5. Best Practices

CEQA was amended significantly in 2014. Assembly Bill 52³ (AB 52) amended CEQA to create a separate category of cultural resources, "tribal cultural resources"⁴ and provides that a project with an effect that may cause a substantial adverse change in the significance of a tribal cultural resource is a project that may have a significant effect on the environment.⁵ Public agencies shall, when feasible, avoid damaging effects to any tribal cultural resource.⁶ **AB 52 applies to any project for which a notice of preparation or a notice of negative declaration or mitigated negative declaration is filed on or after July 1, 2015.** If your project is also subject to the federal National Environmental Policy Act (42 U.S.C. § 4321 et seq.) (NEPA), the tribal consultation requirements of Section 106 of the National Historic Preservation Act of 1966 (154 U.S.C. 300101, 36 C.F.R. § 800 et seq.) may also apply.

The NAHC recommends consultation with California Native American tribes that are traditionally and culturally affiliated with the geographic area of your proposed project as early as possible in order to avoid inadvertent discoveries of Native American human remains and as best practices to mitigate impacts to tribal cultural resources. Below are the NAHC comments on the project referenced above. **Consult your legal counsel about compliance with AB 52 as well as compliance with any other applicable laws.**

Documentation of Contact/Consultation with Tribes

AB 52 has added to CEQA the additional requirements listed below, along with many other requirements:

- **Application/Decision to Undertake a Project:** Within fourteen (14) days of determining that an application for a project is complete or of a decision by a public agency to undertake a project, a lead agency shall provide formal notification to a designated contact of, or tribal representative of, traditionally and culturally affiliated California Native American tribes that have requested notice, to be accomplished by at least one written notice that includes:
 - A brief description of the project.
 - The lead agency contact information.
 - Notification that the California Native American tribe has 30 days to request consultation.⁷
 - A "California Native American tribe" is defined as a Native American tribe located in California that is on the contact list maintained by the NAHC for the purposes of Chapter 905 of Statutes of 2004 (SB 18).⁸
- **When to Begin Consultation:** A lead agency shall begin the consultation process within 30 days of receiving a request for consultation from a California Native American tribe that is traditionally and culturally affiliated with the geographic area of

¹ (Pub. Resources Code § 21084.1; Cal. Code Regs., tit. 14, § 15064.5 (b) (CEQA Guidelines Section 15064.5 (b)).

² (Pub. Resources Code § 21080 (d); Cal. Code Regs., tit. 14, § 15064(a)(1) (CEQA Guidelines § 15064 (a)(1)).

³ (Gatto, Chapter 532, Statutes of 2014)

⁴ (Pub. Resources Code § 21074)

⁵ (Pub. Resources Code § 21084.2).

⁶ (Pub. Resources Code § 21084.3 (a)).

⁷ (Pub. Resources Code § 21080.3.1 (d)).

⁸ (Pub. Resources Code § 21073).

the proposed project.⁹ and prior to the release of a negative declaration, mitigated negative declaration or environmental impact report.¹⁰

- o For purposes of AB 52, "consultation shall have the same meaning as provided in Gov. Code § 65352.4 (SB 18).¹¹

- **Conclusion of Consultation:** Consultation with a tribe shall be considered concluded when either of the following occurs:
 - o The parties agree to measures to mitigate or avoid a significant effect, if a significant effect exists, on a tribal cultural resource; or
 - o A party, acting in good faith and after reasonable effort, concludes that mutual agreement cannot be reached.¹²
- **Prerequisites for Environmental Documents with a Significant Impact on an Identified Tribal Cultural Resource: An environmental impact report may not be certified, nor may a mitigated negative declaration or a negative declaration be adopted unless one of the following occurs:**
 - o The consultation process between the tribes and the lead agency has occurred.¹³
 - o The tribe that requested consultation failed to provide comments to the lead agency or otherwise failed to engage in the consultation process.
 - o The lead agency provided notice of the project to the tribe in compliance with Public Resources Code section 21080.3.1 (d) and the tribe failed to request consultation within 30 days.¹⁴

Documentation of Mitigation for the Protection of Tribal Cultural Resources and Native American Human Remains

1. The specific measures to address the unanticipated discovery of Tribal cultural resources in your document do not include the requested Native American monitor (Section 4.D.1-5, pgs 122-123).

2. The specific mitigation measures as outlined in the Executive Summary and discussed in the Archaeological resources section (4.D.1-12) to address the inadvertent discovery of Native American human remains (CEQA guidelines section 15064(f)) includes problematic requirements:

Initial jurisdiction in cases of the discovery of human remains falls immediately to the County Coroner, in accordance with CEQA guidelines section 15064.5(d) and (e). The procedure to follow is detailed in Health and Safety Code section 7050.5(b) and (c). It is only after the Coroner determines that the remains are that of a Native American and contacts the NAHC that the NAHC assumes jurisdiction in accordance with Public Resources Code §5097.98(a). The permission of the landowner or contractor is not needed by the MLD to inspect the remains.

Mitigation should be discussed in consultation with California Native American Tribes.

- **Mandatory Topics of Consultation:** The following topics of consultation, if a tribe requests to discuss them, are mandatory:
 - o Alternatives to the project.
 - o Recommended mitigation measures.
 - o Significant effects.
- **Discretionary Topics of Consultation:** The following topics are discretionary topics of consultation:
 - o Type of environmental review necessary.
 - o Significance of the tribal cultural resources.
 - o Significance of the project's impacts on tribal cultural resources.
 - o If necessary, project alternatives or appropriate measures for preservation or mitigation that the tribe may recommend to the lead agency.¹⁵
- **Confidentiality of Information Submitted by a Tribe During the Environmental Review Process:** With some exceptions, any information, including but not limited to, the location, description and use of tribal cultural resources submitted by a California Native American tribe during the environmental review process shall not be included in the environmental document or otherwise disclosed by the lead agency or any other public agency to the public, consistent with Government Code sections 6254 (r) and 6254.10. Any information submitted by a California Native American tribe during the consultation or environmental review process shall be published in a confidential appendix to the environmental document unless the tribe that provided the information consents, in writing, to the disclosure of some or all of the information to the public.¹⁶
- **Discussion of Impacts to Tribal Cultural Resources in the Environmental Document:** If a project may have a significant impact on a tribal cultural resource, the lead agency's environmental document shall discuss both of the following:
 - o Whether the proposed project has a significant impact on an identified tribal cultural resource.
 - o Whether feasible alternatives or mitigation measures avoid or substantially lessen the impact on the identified tribal cultural resource.¹⁷
- **Recommending Mitigation Measures Agreed Upon in Consultation in the Environmental Document:** Any mitigation measures agreed upon in the consultation conducted¹⁸ shall be recommended for inclusion in the environmental document

⁹ (Pub. Resources Code § 21080.3.1, subs. (d) and (e))

¹⁰ (Pub. Resources Code § 21080.3.1(b))

¹¹ (Pub. Resources Code § 21080.3.1 (b)).

¹² (Pub. Resources Code § 21080.3.2 (b)).

¹³ as provided in Public Resources Code sections 21080.3.1 and 21080.3.2 and concluded pursuant to Public Resources Code section 21080.3.2.

¹⁴ (Pub. Resources Code § 21082.3 (d)).

¹⁵ (Pub. Resources Code § 21080.3.2 (a)).

¹⁶ (Pub. Resources Code § 21082.3 (c)(1)).

¹⁷ (Pub. Resources Code § 21082.3 (a) and (b)).

¹⁸ pursuant to Public Resources Code section 21080.3.2

and in an adopted mitigation monitoring and reporting program, if determined to avoid or lessen the impact¹⁹ and shall be fully enforceable.²⁰

- **Required Consideration of Feasible Mitigation:** If mitigation measures recommended by the staff of the lead agency as a result of the consultation process are not included in the environmental document or if there are no agreed upon mitigation measures at the conclusion of consultation, or if consultation does not occur, and if substantial evidence demonstrates that a project will cause a significant effect to a tribal cultural resource, the lead agency shall consider feasible mitigation.²¹
- **Examples of Mitigation Measures That, If Feasible, May Be Considered to Avoid or Minimize Significant Adverse Impacts to Tribal Cultural Resources:**
 - Avoidance and preservation of the resources in place, including, but not limited to:
 - Planning and construction to avoid the resources and protect the cultural and natural context.
 - Planning greenspace, parks, or other open space, to incorporate the resources with culturally appropriate protection and management criteria.
 - Treating the resource with culturally appropriate dignity, taking into account the tribal cultural values and meaning of the resource, including, but not limited to, the following:
 - Protecting the cultural character and integrity of the resource.
 - Protecting the traditional use of the resource.
 - Protecting the confidentiality of the resource.
 - Permanent conservation easements or other interests in real property, with culturally appropriate management criteria for the purposes of preserving or utilizing the resources or places.
 - Protecting the resource.²²
 - Please note that a federally recognized California Native American tribe or a nonfederally recognized California Native American tribe that is on the contact list maintained by the NAHC to protect a California prehistoric, archaeological, cultural, spiritual, or ceremonial place may acquire and hold conservation easements if the conservation easement is voluntarily conveyed.²³
 - Please note that it is the policy of the state that Native American remains and associated grave artifacts shall be repatriated.²⁴
- The lack of surface evidence of archaeological resources (including tribal cultural resources) does not preclude their subsurface existence.
 - Lead agencies should include in their mitigation and monitoring reporting program plan provisions for the identification and evaluation of inadvertently discovered archaeological resources.²⁵ In areas of identified archaeological sensitivity, a certified archaeologist and a culturally affiliated Native American with knowledge of cultural resources should monitor all ground-disturbing activities.
 - Lead agencies should include in their mitigation and monitoring reporting program plans provisions for the disposition of recovered cultural items that are not burial associated in consultation with culturally affiliated Native Americans.
 - Lead agencies should include in their mitigation and monitoring reporting program plans provisions for the treatment and disposition of inadvertently discovered Native American human remains. Health and Safety Code section 7050.5, Public Resources Code section 5097.98, and Cal. Code Regs., tit. 14, section 15064.5, subdivisions (d) and (e) (CEQA Guidelines section 15064.5, subds. (d) and (e)) address the processes to be followed in the event of an inadvertent discovery of any Native American human remains and associated grave goods in a location other than a dedicated cemetery.

Documentation of Cultural Resources Assessment

NAHC Recommendations for Cultural Resources Assessments

To adequately assess the existence and significance of tribal cultural resources and plan for avoidance, preservation in place, or barring both, mitigation of project-related impacts to tribal cultural resources, the NAHC recommends the following actions:

- Contact the NAHC for:
 - A Sacred Lands File search. Remember that tribes do not always record their sacred sites in the Sacred Lands File, nor are they required to do so. A Sacred Lands File search is not a substitute for consultation with tribes that are traditionally and culturally affiliated with the geographic area of the project's APE.
 - A Native American Tribal Contact List of appropriate tribes for consultation concerning the project site and to assist in planning for avoidance, preservation in place, or, failing both, mitigation measures.
 - The request form can be found at <http://nahc.ca.gov/resources/forms/>.
- Contact the appropriate regional California Historical Research Information System (CHRIS) Center (http://ohp.parks.ca.gov/?page_id=1068) for an archaeological records search. The records search will determine:

¹⁹ pursuant to Public Resources Code section 21082.3, subdivision (b), paragraph 2,

²⁰ (Pub. Resources Code § 21082.3 (a)).

²¹ pursuant to Public Resources Code section 21084.3 (b). (Pub. Resources Code § 21082.3 (e)).

²² (Pub. Resource Code § 21084.3 (b)).

²³ (Civ. Code § 815.3 (c)).

²⁴ (Pub. Resources Code § 5097.991).

²⁵ per Cal. Code Regs., tit. 14, section 15064.5(f) (CEQA Guidelines section 15064.5(f)).

- If part or the entire APE has been previously surveyed for cultural resources.
 - If any known cultural resources have been already been recorded on or adjacent to the APE.
 - If the probability is low, moderate, or high that cultural resources are located in the APE.
 - If a survey is required to determine whether previously unrecorded cultural resources are present.
- If an archaeological inventory survey is required, the final stage is the preparation of a professional report detailing the findings and recommendations of the records search and field survey.
 - The final report containing site forms, site significance, and mitigation measures should be submitted immediately to the planning department. All information regarding site locations, Native American human remains, and associated funerary objects should be in a separate confidential addendum and not be made available for public disclosure.
 - The final written report should be submitted within 3 months after work has been completed to the appropriate regional CHRIS center.

Problematic Wording

With the exception of mitigation measure MM-ARCHEO-4 (Human Remains) the entire section on Archaeological Resources addresses the specific needs of archaeological recovery, processing, analysis, and curation of materials recovered. This does not adequately address the discovery of tribal cultural resources where the culturally affiliated tribes would not consent to archaeological recovery. The inclusion of a Native American monitor and a discussion of measures for inadvertent culturally affiliated finds would address this concern adequately in the Draft EIR document.

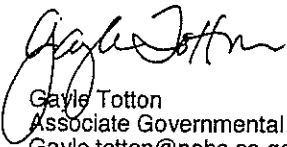
Best Practices

Agencies should be aware that AB 52 does not preclude agencies from initiating tribal consultation with tribes that are traditionally and culturally affiliated with their jurisdictions before the timeframes provided in AB 52.

For that reason, we urge you to continue to request Native American Tribal Contact Lists and "Sacred Lands File searches from the NAHC. The request forms can be found online at: <http://nahc.ca.gov/resources/forms/>

- The NAHC's PowerPoint presentation titled, "Tribal Consultation Under AB 52: Requirements and Best Practices" may be found online at: http://nahc.ca.gov/wp-content/uploads/2015/10/AB52TribalConsultation_CalEPAPDF.pdf

Sincerely,



Gayle Totton
Associate Governmental Program Analyst
Gayle.totton@nahc.ca.gov

cc: State Clearinghouse



ROWLAND HEIGHTS COMMUNITY COORDINATING COUNCIL

"IMPROVING OUR COMMUNITY"

P.O. Box 8171
Rowland Heights
California 91748

WWW.ROWLAND-HEIGHTS.ORG

Email:
rhccc4RH@gmail.com

President
Ted Ebenkamp

**First Vice President
Programs**
Deborah Enos

**Second Vice President
Membership**
Roland Sanchez

**Third Vice President
Community
Improvement**
Henry Woo

Recording Secretary
DeAnn Joyce

**Corresponding
Secretary**
David Koo

Treasurer
Carla Sanchez

Historian
Charles Liu

Past President
Kingdon Chew

March 10, 2016

Mr. Steven Jones
Los Angeles County Department of Regional Planning
Land Divisions Section
320 West Temple Street
Los Angeles, California 90012

**SUBJECT: Rowland Heights Plaza and Hotel Project DEIR
Los Angeles County Department of Regional Planning, Land Divisions
Section.**

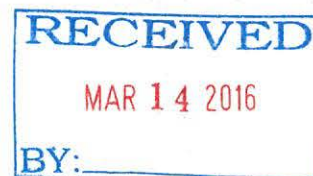
Project No. R2014- 01529 / Vesting Tentative Parcel Map No. RTM PM072916 /
Conditional Use Permit No. RCUPT201400062 / Zone Change No. RZCT201400008 /
Parking Permit No. RPKPT201400006 / Environmental Assessment RENV201400121

Dear Mr. Jones

On behalf of the Rowland Heights Community Coordinating Council the following comments (Attachment 1) are submitted to your agency as part of the public review process mandated by the California Environmental Quality Act (CEQA) and the State CEQA Guidelines. In accordance with § 15200 of the State CEQA Guidelines, these comments fit within the purpose of the public review process through: "(a) sharing expertise, (b) disclosing agency analyses, (c) checking for accuracy, (d) detecting omissions, (e) discovering public concerns, and (f) soliciting counter proposals."

Our purpose is to underscore the deficiency of the documentation and to recommend a new EIR approach and an alternative project design that reflects both the needs of the community and meets the intent of the Rowland Heights Community Plan (CP) and is true to the tenets of our Community Standards District (CSD).

This DEIR seeks to obtain Los Angeles County's approval of:



1. **Zone change** from M - 1.5 - BE (Restricted Heavy Manufacturing, Billboard Exclusion) to **C - 3 - DP (Unlimited Commercial - Development Program)** for proposed Parcels 2 and 3 for hotel uses;
2. Parking permit to allow approximately **342 fewer parking spaces** (1,161 in total) than the required 1,503 parking spaces for all proposed uses computed separately, and the use of 75 off-site parking spaces located within a 0.79-acre parcel within the City of Industry municipal boundary; and
3. Conditional use permit("CUP") to authorize:
 - Structures to **exceed the maximum height of 45 feet** above grade by 35 feet for a total of **80 feet for a new hotel** on proposed Parcel 2 and by 27 feet 4 inches for a total of **72 feet 4 inches** for a new hotel on proposed Parcel 3

As a reminder, a Community Standard District "implements special development standards adopted for a community and as a means of addressing special problems which are unique to certain geographic areas within the unincorporated areas of Los Angeles County." Yet, this project, in particular to items 2 and 3 above, seeks to override two major areas of community concern (density, aesthetics and building height) and special problem areas (parking and traffic) and why the community has an adopted CP and CSD.

It is both widely known and documented that circulation within our community has negatively suffered from development that has occurred at the hands of past CUP's and Zone changes. Our streets are congested and surface street movement options are limited due to topography, two major freeways and the impacts related to the goods movement industry including trucking and freight trains that snarl traffic and mercilessly block intersections. Highly impacted streets include Azusa, Fullerton, Nogales, Colima and Gale. All of which will be significantly impacted by this proposed project; yet, there is only limited mitigation measures being proposed in the DEIR to absorb the additional 10,000 plus daily vehicle trips this project will generate.

In our review of the DEIR, aided by a registered civil engineer, we have identified a variety of concerns for a project of this scale and impact including the continual and cumulative dilution of our Community Plan, our CSD, land use planning (including proposed county zoning changes), traffic and parking, cumulative affects and aesthetics. The DEIR does not "adequately and properly" comply with the state environmental regulations by acknowledging and fully outlining the impacts of the proposed project and cumulative affects. Additionally, the DEIR has not proposed sufficient mitigation measures for the significant and unavoidable impacts of the proposed project.

14
27

We urge the County to work with the community, as stakeholders and purported to be the beneficiaries of the project as noted in the DEIR, to achieve a more environmentally and thoughtfully designed project that WILL meet the goals of the community and the developer without bringing further harm to our community. We urge the County to consider a Reduced Density Alternative, considered the environmentally superior alternative, that can meet the primary purpose and objectives of the Project. We reject the conclusion that a compromise in design and density cannot fully meet the intent of the project and be economically feasible.."

We strongly urge the County to reject the DEIR in its current form and instruct the project proponent to perform further environmental analysis and propose changes in the project and increase mitigation efforts in order to make this project the best it can, and more importantly, should be. Thank you for this opportunity to comment on the proposed project. Please send to us your agency's responses to our comments on the subject Draft EIR, along with further information on the environmental planning phase of this project.



Sincerely,
Debbie Enos
First Vice President
Rowland Heights Community Coordinating Council
P.O. Box 8171
Rowland Heights, CA 91748

Attachment 1

Land Use Planning.

A zoning change is proposed from M-1.5 to a C-3-(DP) zoning for hotel use and a parcel map proposed to subdivide the site into three parcels for commercial condominium units. The hotel structures include a Conditional Use Permit to allow the hotel structures to exceed 45 feet above grade, the sale of alcoholic beverages for on-site consumption, and on-site grading of more than 100,000 cubic yards of soil which would fall under County mass grading permitting codes.

- Without the Conditional Use Permit, these impacts would render the project unable to be permitted.
- The zoning change permits a much higher density of use than permitted under existing zoning.
- Topographic features once characteristic of the site will be destroyed and are immitigable.

A Community Standard District "implements special development standards adopted for a community and as a means of addressing special problems which are unique to certain geographic areas within the unincorporated areas of Los Angeles County."

The DEIR does not sufficiently demonstrate the need of the community for the project nor the meeting of the needs of the community by the projects design. To the contrary, the project is designed for the benefit of travelers and non-residents and at the detriment of the community by significantly impacting traffic without sufficient mitigation; ignoring local parking norms by proposing less spaces than required and changing the community's aesthetic by constructing buildings up to two times the maximum allowed height.

Furthermore, developing a project that includes over 150 condominium retail/restaurant/office space units compounds the land use concerns of the community that the Zone Change would allow such as unenforceable signage pollution, concentrating nuisance and crime attracting businesses (massage parlors, hookah bars, etc), fostering the addition of more culturally isolated businesses and promoting the negative local practice of subletting space within spaces effectively exponentially increasing density without mitigating the resulting traffic and parking congestion.

The DEIR insufficiently supports the community's need for the project and insufficiently mitigates the negative impacts of the much higher density project if the CUP and Zone Change that overrides the CSD and Community Plan is approved.

Traffic and Parking.

The project results in a much higher density of use and higher traffic and parking requirements than the current manufacturing zoning. Specific provisions are included in the DEIR to monitor limitations in tenant use, which highlights this concern. For example, the DEIR states:

“Commercial Center with a total of 1,561 occupants, no further restaurant uses may be approved by the Commercial Center Association. Occupant loads may be reallocated among restaurant unit owners with the prior approval of the Commercial Center Association (and such approvals from the County and Director’s Review as are required by the County), but under no circumstances will the total occupant load for all restaurant uses in the Commercial Center exceed 1,561 occupants.”

The DEIR further states:

“Under Future (2020) With Project Plus Cumulative Traffic conditions, operational impacts would exceed the applicable County significance threshold at five intersections during the Saturday mid-day peak and one intersection during the A.M. and P.M. weekday peaks.” This is demonstrated in Appendix I, Table 6 which documents Existing plus Project plus Cumulative Intersection Capacity Utilization and Level of Service. An examination of Table 7, Existing plus Project plus Cumulative Significant Impact Evaluation, these impacts are mitigatable at certain intersections, and not at others.

- Further we contend the DEIR is insufficient in the mitigation proposed based on 2013 data and not utilizing current traffic study nor sufficiently account for current traffic of comparable intersections of Azusa and Gale, Azusa and 60 Freeway and Azusa and Colima that reflects a post project 2020 future condition today.
 - Today, this intersection is consistently congested with traffic at peak weekday AM and PM hours, and more particularly during the morning hours where vehicles and trucks utilizing double turn lanes (one of the proposed mitigation measures for the proposed project) consistently block through-traffic causing gridlock and excessive delays.
 - The DEIR did not utilize current traffic study data and instead relied on data collected in 2013, which is more than a year old, and thus has insufficiently modeled both the current conditions and the with project forecast.
 - The County of Los Angeles Department of Public Works has established the following Guidelines for the preparation of Traffic Impact Analysis (TIA) reports. The source and date of the traffic volume information shall be indicated. **Count data should not be over one year old.**
 - Since peak volumes vary considerably, a ten percent daily variation is not uncommon, especially on recreational routes or roadways near shopping centers; therefore, representative peak-hour volumes are to be chosen carefully.
 - Traffic generated by a project considered alone or cumulatively with other related projects, when added to existing traffic volumes, exceeds certain capacity thresholds of an intersection or roadway, contributes to an unacceptable level of service (LOS), or exacerbates an existing congestion.

- Cumulative Projects failed to sufficiently address the development currently in progress and cumulative effects.
- Traffic impacts and proposed mitigation measures should be reviewed in connection with the justification for a Statement of Overriding Concerns, not yet included in the DEIR document set, to accommodate these unmitigated impacts.
- DEIR fails to sufficiently demonstrate that the valet-managed parking program for the hotels developed within the Project (LACC 22.56.990.C.2) is consistent with cultural norm in the community and would be successful.
- DEIR failed to sufficiently support of the utilization in contrast to community norms which would allow for a permit variance to reduce on-site parking based on shared use of parking facilities by two or more uses within the development (LACC 22.56.990.C.1)

The DEIR does not sufficiently address the impact of truck deliveries upon traffic, parking and circulation for the proposed project.

- The project failed to sufficiently consider the impact and/or benefit of establishing a delivery access drive off Railroad Street onto the project site and thus elevating some new truck traffic from accessing the project off Gale from Fullerton Road and Nogales.

Aesthetics.

The project includes a Conditional Use Permit to allow building heights in excess of 45 feet. However, the report is deficient in that there is not a focused aesthetics impacts analysis in either the main report or appendices to document these impacts. Analysis techniques should be explored and utilized to assess these impacts, if possible.

- The impact evaluation should include without limitation impacts of nighttime glare, daytime reflections, building shadow, and nearby and distant viewsheds from the surrounding community and of hotel tenants.

The DEIR references the CSD in regards to signage requirements and standards and reflects signage on elevations and conceptual renderings contained in the report. However there is no signage plan that specifically speaks to the disconnect between developing over 150 condominium retail units and not having over 150 exterior business signs. The elevations appear to reflect 1 business per every 2 or 3 potential thresholds. Yet the development could result in significantly more businesses and thus more impacts to the community by way of signage pollution, parking insufficiency, increased traffic and visual eyesore of shoebox retail establishments.

Open Space and Recreation.

- The DEIR does not adequately address the need for additional recreational opportunities in this very Park poor area of Rowland Heights and as identified in the 2015-2016 Los Angeles Counties Parks Needs Assessment demographic data. The Park Needs assessment specifically identifies the area South of the Project site and within 1/2 mile as severely park poor with no access to park or open space within walking distance. The Community's Top 10 prioritized projects, collected on January 20, 2016, reflect a strong need and desire for new parks, and specialty recreational facilities that would be suitable at this project location including a: dog park, skate park, gymnasium, and/or lighted multiple sports/soccer fields.

Project Alternatives.

The DEIR must address project alternatives, including alternative scale and scope, and non-project alternatives. Alternatives seem to be reasonably well developed in the DEIR. The project considers four alternatives as detailed in Chapter 5 of the main report: the No Project/No Build Alternative, Reduced Intensity Alternative, and two Code-Compliant Alternatives that address other proposed uses on the Project Site. State CEQA Guidelines require identification of an environmentally superior Alternative other than the No Project/No Build Alternative. A comparative evaluation of the Alternatives indicates that the Reduced Intensity Alternative would be the environmentally superior Alternative. However, the DEIR significantly concludes:

“Among those alternatives, no feasible alternative was identified that would avoid the Project’s significant unavoidable impacts. The Reduced Density Alternative, which has been identified as the environmentally superior alternative, would reduce the potential for significant unavoidable operational traffic impacts and air quality impacts. However, significant unavoidable traffic impacts would still occur at one or more intersections. As discussed in more detail in Chapter 5.0, Alternatives, while the Reduced Density Alternative is considered the environmentally superior alternative, it would only partially meet the primary purpose and objectives of the Project, which are stated and enumerated in Subsection B above.”

- The DEIR project alternative analysis is insufficient in demonstrating that the environmentally superior Reduced Density Alternative could not fully meet the project objectives.

APPENDIX E

E.1 MARKET DEMAND ANALYSIS, PREPARED BY PKF CONSULTING



Market Demand Analysis

PKF
CONSULTING
USA
A CBRE COMPANY

File No. 52698

Two Proposed Hotels 18800 Gale Road Rowland Heights, California

Prepared For:

Mr. Stafford Lawson
Parallax Investment Corporation
26 Soho Street
Suite 205
Toronto, Canada M5T 1Z7

Prepared By:

PKF Consulting USA
a Subsidiary of CBRE, Inc.
Los Angeles, California

Date of the Report:

August 3, 2015

August 3, 2015



Mr. Stafford Lawson
Parallax Investment Corporation
26 Soho Street
Suite 205
Toronto, Ontario
M5T 1Z7

Dear Mr. Lawson:

In accordance with our agreement, we have concluded our analysis of potential market demand for the proposed hotels to be located in Rowland Heights, California. The conclusions reached are based on our present knowledge of the competitive lodging market as of the completion of our fieldwork in June 2015. The following report summarizes our findings and reflects the conclusion of our analysis.

As in all studies of this type, the estimated results are based upon competent and efficient management and presume no significant change in the competitive market from that as set forth in this report. Since our results are based on estimates and assumptions that are subject to uncertainty and variation, we do not represent them as results that will actually be achieved.

It is expressly understood that the scope of our study and report thereon do not include the possible impact of zoning or environmental regulations, licensing requirements or other restrictions concerning the project, except where such matters have been brought to our attention and disclosed in the report.

The terms of this engagement are such that we have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of completion of our fieldwork; however, we are available to discuss the necessity for revision in view of changes in the economy or market factors which have a material effect on the proposed property.

This report was prepared for your internal use to assist you in analyzing the potential market position of the subject hotels. It is subject to the Statement of General Assumptions and Limiting Conditions presented in the Addenda, as well as to the assumptions presented herein.

*Mr. Stafford Lawson
Parallax Investment Corporation*

ii

We appreciate the opportunity of working on this assignment and look forward to answering any questions you may have regarding our findings and conclusions presented herein.

Sincerely,

*PKF Consulting USA
a Subsidiary of CBRE, Inc.*

A handwritten signature in blue ink, appearing to read "Bruce Baltin". The signature is fluid and cursive, with a large initial "B" and a long, sweeping underline.

Bruce Baltin
Senior Vice President

TABLE OF CONTENTS**Page
Number****SECTION I**

INTRODUCTION.....	I-1
OVERVIEW OF THE MARKET STUDY	I-1
ASSUMPTIONS USED FOR PROJECTIONS	I-1
METHODOLOGY	I-1
AREA REVIEW	I-2
MARKET RESEARCH	I-2
PREPARATION OF MARKET SUPPLY AND DEMAND ESTIMATES.....	I-3
SUBJECT OCCUPANCY AND AVERAGE DAILY RATE PROJECTIONS	I-3
SUMMARY OF CONCLUSIONS	I-3

SECTION II

ANALYSIS OF THE SITE LOCATION	II-1
INTRODUCTION.....	II-1
ACCESS AND VISIBILITY	II-4
RELATIONSHIP TO DEMAND GENERATORS.....	II-4
Commercial	II-5
Leisure	II-5
Group	II-5
SITE CONCLUSIONS	II-5
FACILITIES RECOMMENDATIONS	II-7
INTRODUCTION.....	II-7
PROJECT OVERVIEW	II-7
SCOPE OF FACILITIES.....	II-8
Overall Quality	II-8
275-ROOM FULL-SERVICE HOTEL.....	II-9
Overall Quality Level.....	II-9
Guest Rooms.....	II-9
Food and Beverage	II-10
Meeting Space.....	II-10
Other Facilities and Amenities	II-10
Management and Affiliation	II-11
202-ROOM EXTENDED-STAY HOTEL.....	II-11
Overall Quality Level.....	II-11
Guest Rooms.....	II-12
Food and Beverage	II-13
Other Facilities and Amenities	II-13
Management and Affiliation	II-13
CONCLUSIONS.....	II-13

SECTION III

AREA REVIEW	III-2
INTRODUCTION.....	III-2
LOS ANGELES COUNTY OVERVIEW.....	III-2
LAX Modernization	III-4
REGIONAL INFRASTRUCTURE	III-6

TABLE OF CONTENTS**Page
Number**

Port of Los Angeles/Long Beach	III-6
Rail and Bus	III-7
TOURISM INDICATORS	III-8
Total Visitor Volume	III-9
Transient Occupancy Tax.....	III-9
Los Angeles Convention Center	III-10
Los Angeles Convention Center Rehabilitation	III-11
AREA CONCLUSIONS	III-13
NEIGHBORHOOD ANALYSIS	III-15
SAN GABRIEL VALLEY OVERVIEW	III-15
Introduction	III-15
Transportation	III-15
Highway	III-15
Air.....	III-15
San Gabriel Valley Office Market.....	III-16
Demographic and Economic Indicators.....	III-17
Foreign Investment.....	III-18
Inbound Chinese Tourism	III-18
COMMUNITY OF ROWLAND HEIGHTS.....	III-21
INTRODUCTION	III-21
LOCATION	III-21
DEMOGRAPHICS	III-21
Employment.....	III-22
Rowland Heights Community Center	III-22
SURROUNDING NEIGHBORHOODS	III-23
City of Industry.....	III-23
Industrial Market	III-23
Los Angeles Stadium at Grand Crossing	III-23
City of Pomona	III-24
FUTURE ECONOMIC OUTLOOK AND CONCLUSION	III-24
SECTION IV	
HOTEL MARKET ANALYSIS	IV-1
OVERVIEW	IV-1
MARKET ANALYSIS	IV-1
Competitive Supply.....	IV-1
Additions to Supply.....	IV-9
HOTEL ROOMS DEMAND.....	IV-9
Historical Performance of the Competitive Supply	IV-10
MIX OF DEMAND	IV-11
Commercial Market Segment	IV-11
Leisure Market Segment	IV-12
Group Market Segment	IV-12
Summary of Demand Growth and Market Occupancies	IV-13
PROJECTED MARKET PERFORMANCE OF THE SUBJECT HOTELS	IV-15

TABLE OF CONTENTS

	<i>Page Number</i>
Penetration Analysis.....	IV-15
Penetration of the Subjects.....	IV-15
275-Room Full-Service Hotel.....	IV-15
Corporate Demand.....	IV-15
Leisure Demand.....	IV-16
Group Demand.....	IV-16
Overall Mix, Penetration, and Occupancy.....	IV-17
202-Room Extended-Stay Hotel.....	IV-19
Corporate Demand.....	IV-19
Leisure Demand.....	IV-19
Group Demand.....	IV-19
Overall Mix, Penetration, and Occupancy.....	IV-20

Section I

INTRODUCTION

INTRODUCTION

OVERVIEW OF THE MARKET STUDY

PKF Consulting has been retained by Parallax Investment Corporation to conduct a study of the potential market demand for the development of two proposed hotels to be located at 18800 Gale Road in Rowland Heights, California. As a component of this analysis, after we have identified the potential market demand in the eastern San Gabriel Valley lodging market, we have then provided our projections of the occupancy and average daily room rate the proposed subjects could reasonably be expected to achieve for their first five years of operation. Based on conversations with ownership, we are of the understanding that the two hotels will be built in two phases. For the purpose of our analysis, we have assumed that the first hotel would be open and available for occupancy by July 1, 2019, and the second hotel would begin operating on January 1, 2022. This report represents the culmination of our market research, analysis, and assessments relative to the potential market demand for the proposed hotels.

ASSUMPTIONS USED FOR PROJECTIONS

Our analysis was based on the following set of assumptions:

- The proposed hotels are to be located at 18800 East Gale Avenue in Rowland Heights, California;
- The first proposed subject will be a 275-room upscale, full-service hotel and the second hotel will be a 202-room high quality, extended-stay hotel;
- The subjects will offer facilities and services consistent with their respective quality level;
- The full-service hotel will contain a three-meal restaurant;
- The full-service hotel will offer meeting and event space;
- The subject hotels will be affiliated with a nationally recognized brand; and,
- The first hotel will open on July 1, 2019 and the second hotel will open on January 1, 2022.

METHODOLOGY

In conducting the study, we:

- Physically inspected the proposed subject site as well as existing and planned surrounding developments;
- Assessed the impact of the proposed subjects' accessibility, visibility, and location relative to demand generators and overall marketability;

- Analyzed the proposed subjects' site and prepared recommendations as to the optimal types of hotel to be developed on the site;
- Researched and analyzed current economic and demographic trends in Los Angeles County with a focus on Rowland Heights and the San Gabriel Valley to determine the trends' impact on future lodging demand within the market;
- Identified the competitive supply of lodging facilities in and around Rowland Heights;
- Reviewed the historical performance levels for the competitive lodging supply on a composite basis;
- Estimated the anticipated growth in demand for, and supply of, lodging accommodations in the competitive market area; and,
- Prepared a forecast of the potential annual occupancy for the first five years of operation of the proposed subjects.

Several sources were used in compiling the background information and preparing the analysis contained in this report. These resources included *Trends in the Hotel Industry*, published by PKF Consulting; data on the local lodging market gathered through direct interviews with managers of the competitive properties; data provided by sources in the lodging chains with which the competitive properties are affiliated; and economic data on the region from various local governmental and planning entities.

AREA REVIEW

We gathered and analyzed relevant economic, demographic, and development data relative to the greater Los Angeles County, San Gabriel Valley, and the unincorporated community of Rowland Heights. The purpose of this analysis was to ascertain the economic climate in which the proposed subject hotels will operate and create a basis for projecting future economic conditions as they relate to the proposed subject hotels.

MARKET RESEARCH

We have reviewed our database and conducted primary market research relative to the proposed hotels' competitive market and prepared a five-year history of occupancy and average daily rate trends. To obtain data on current conditions, market mix, and likely future results, we conducted primary research in the area including interviews with representatives of the competitive hotels, major employers in the area, and planning officials. Data on proposed projects was also researched and reviewed to determine the likelihood of future additions to supply.

PREPARATION OF MARKET SUPPLY AND DEMAND ESTIMATES

We analyzed historical growth and the characteristics of each of the principal segments of demand for lodging accommodations and researched the potential additions to supply. Then, using the information gathered in our research, we projected the growth in demand from 2014 to 2023 for the competitive market, and combined the estimated future supply and demand to reach our conclusions of the overall market potential.

SUBJECT OCCUPANCY PROJECTIONS

After completing our estimates of the market area's supply and demand, we estimated the share of the market that the proposed subject hotels should reasonably be expected to capture for their first five years of operation. From this we derived their annual occupancy percentages from their estimated openings in 2019 to 2023 for the full-service hotel and 2022 to 2026 for the extended-stay hotel.

SUMMARY OF CONCLUSIONS

Based on our existing knowledge of the Rowland Heights and Greater Los Angeles County hotel markets coupled with our research relative to this assignment, we are of the opinion that an opportunity exists for the development of an upscale, full-service hotel and high quality, extended-stay hotel at the subject site. The subject site is located in the unincorporated community of Rowland Heights, California. The area surrounding the site is rich with numerous retail and commercial amenities. As such, the subject hotel will be competing primarily within the Rowland Heights and eastern San Gabriel Valley markets for: 1) corporate/commercial demand generated from businesses located in the San Gabriel Valley area; 2) leisure demand generated by pleasure travelers visiting family, friends, and nearby attractions within the San Gabriel Valley and Greater Los Angeles area; and 3) group demand arising from international tour groups, social events, as well as business and association meetings.

The area immediately surrounding the subject site is comprised of an array of commercial venues including the Rowland Heights Plaza Shopping Center and Four Seasons Plaza. In addition, the business and industrial districts within the San Gabriel Valley area generate sufficient short and long term demand to support the addition of a new hotel product to the market. It is our opinion that with the proposed subjects' recommended facilities and amenities, the hotels will be well positioned to capture the higher-rated commercial, group, and leisure demand in the area that is not currently satisfied by the existing hotel product, as well as generate additional demand for the area.

Section II

***ANALYSIS OF SITE LOCATION AND
FACILITIES RECOMMENDATIONS***

ANALYSIS OF THE SITE LOCATION

INTRODUCTION

The proposed hotels are to be located at 18800 East Gale Avenue in Rowland Heights, California. Both subject hotels will be developed alongside a mixed-use development, and ingress and egress to the structure will be accessible from Gale Avenue. The subject site is located directly north of California State Route 60 (Pomona Freeway), which provides direct access to Riverside County in the east and Downtown Los Angeles to the west. The site measures approximately 5.5 acres in size and is irregular in shape. Existing land uses surrounding the subject site include commercial, retail, industrial, and residential.

Uses immediately surrounding the site include:

- North:** The subject site is bounded to the north by the Union Pacific railroad, followed by Railroad Street and industrial buildings in the City of Industry.
- South:** The subject is bounded to the south by Gale Avenue, followed by the Best Western Plus Executive Inn and California State Route 60 (Pomona Freeway). Less than one mile south of the subject site is Colima Road, a major east-west commercial corridor in the eastern San Gabriel Valley area that has experienced a growth of multi-tenant centers containing retail, commercial, and office uses.
- East:** The subject is bounded to the east by the Rowland Heights Plaza Shopping Center, a neighborhood shopping center anchored by the Chinese supermarket, 99 Ranch Market, restaurants, and other commercial uses. The Gateway Corporate Center of Diamond Bar is located approximately four miles east of the subject site.
- West:** The subject is bounded to the west by The Concourse, a collection of low-rise commercial office buildings followed by the Four Seasons Plaza, a mixed-use, multi-tenant center.

An area map and aerial view illustrating the subject's location are presented in the following pages.





ACCESS AND VISIBILITY

Overall, the subject site has an excellent location relative to numerous transportation networks in the area. The subject site is located on Gale Avenue, an east-west thoroughfare in the community of Rowland Heights. Primary access to the site is provided by the Pomona Freeway (California State Route 60) from the east and west, via the Fullerton Road and Nogales Street exits for east and westbound travelers, respectively. California State Route 60 is an important traffic arterial serving the Los Angeles and Riverside County areas and connects the site with other major freeways including Interstate 5 (Santa Ana Freeway), Interstate 710 (Long Beach Freeway), Interstate 605 (San Gabriel River Freeway), State Route 57 (Orange Freeway), and Interstate 10, further allowing guests easy access throughout Southern California and to employment centers, high quality entertainment and shopping areas, and local beaches.

The Los Angeles International Airport, servicing approximately 70 million passengers annually is the primary source for air passengers visiting the San Gabriel Valley and is located approximately 30 miles southwest of the property. Additionally, there are four other airports (Long Beach, Bob Hope/Burbank, LA/Ontario, John Wayne) located within 23 to 36 miles that also provide air access to Los Angeles County.

Proximate to both the SR-60 and SR-57, the subject site enjoys a good location relative to demand generators allowing it to capture commercial, leisure, and group demand in the area. Visibility of the subject is anticipated to be excellent from SR-60 and Gale Avenue. A majority of the developments surrounding the subject site are primarily a collection of low to mid-rise structures, thus the proposed six story hotel will have very good visibility in the immediate area. Appropriate signage should help mitigate any visibility difficulties.

RELATIONSHIP TO DEMAND GENERATORS

The majority of demand for the proposed hotels will be from local businesses in the eastern San Gabriel Valley area seeking both short and mid-term accommodations, with leisure demand and social, tour, and corporate groups comprising the balance. Following is a discussion of the primary demand segments.

The subject site is located in the unincorporated community of Rowland Heights. The area's demographic profile is increasingly Asian. As of the 2010 Census, the Asian population made up 59.8 percent of the total population in Rowland Heights, making it the largest ethnic group in the city. The Asian population in the Rowland Heights and the San Gabriel Valley is fairly diverse in terms of region of origin, linguistics, and socio-economic status. Further, the San Gabriel Valley is considered one of the most prominent Chinese communities in the United States.

Based on our research, there has been an increase in international travel to the San Gabriel Valley area, primarily from mainland China, Southeast Asia, and India. The increase in travel can be attributed to the rapid economic ascendance of the Chinese economy, relaxed government restrictions on foreign travel, the expanding middle class, and the

appreciation of the Yuan. These travelers are visiting the area to conduct business as well as to visit family and friends that reside in the area. The reduced language barrier and familiar dining options provided by the Chinese communities makes the San Gabriel Valley a preferred destination for many Asian travelers traveling to and/or through Los Angeles County. Additionally, there has been a growing interest in real estate property purchases from Asian visitors, both commercial and residential, that has contributed to the increased lodging demand.

Commercial

Commercial demand in the area is primarily generated by the businesses located in the City of Industry and San Gabriel Valley. Both mid-size businesses and corporate headquarters attract all level of visitors, from corporate executives to sales people. The area businesses also attract people for sales, training, meetings, workshops, and planning which leads to both individual corporate and group business. The subject is located on Gale Avenue, an east-west corridor that is host to many commercial and retail developments and is also proximate to many of the industrial and commercial businesses in the surrounding cities of Industry and Diamond Bar.

Leisure

Rowland Heights is widely regarded as a premier suburban Chinese American community. With a healthy influx of leisure travelers from the Asian countries along with other tourist destinations in the area, there is ample amount of leisure demand for the hotels in the San Gabriel Valley. Many of the leisure travelers are individual tourists and families visiting the attractions of Los Angeles County and are passing through en route to other destinations, such as north to San Francisco, east to Las Vegas and Grand Canyon, or south to San Diego. In addition, the San Gabriel Valley is located within 25 miles from other popular tourist destinations in Southern California, such as Disneyland, Universal Studios, Hollywood, and well-known beaches along the Pacific Coast.

Group

Group demand in the eastern San Gabriel Valley relies primarily on “package tour” groups from Asian countries, local SMERF (social, military, educational, religious, and fraternal) business, and corporate groups during the week. Much of the group business consists of sports leagues from nearby universities and schools, as well as events at the Pomona Fairplex, social groups, weddings, and corporate meetings. There is stronger corporate demand for properties proximate to the City of Industry.

SITE CONCLUSIONS

The subject site is well located with respect to demand generators in the market. It is proximate to major businesses in the City of Industry area. Furthermore, the subject hotels are to be developed in Rowland Heights, where there is a growing international demand, primarily from Asia, due to the city’s population profile and abundance of Asian markets

and businesses. The subjects' location relative to these demand generators will enable the proposed hotels to effectively capture commercial, group, and leisure demand.

FACILITIES RECOMMENDATIONS

INTRODUCTION

We have reviewed the available development options and the developer's preliminary plans for the project relative to our site analysis and analyzed the overall eastern San Gabriel Valley lodging market. Given their location and positioning within the competitive market, we are of the opinion that the construction of the proposed subject hotels will achieve very good efficiency for the site and operational profitability. Our comments concerning facility programming for the subject hotels are based on our analysis of the competitive hotels and the intended positioning of the subjects within the competitive market. Based on our analysis of the site and competitive lodging properties, as well as our interviews with hotel representatives, planning officials, and representatives of potential demand generators for the proposed subjects, we have developed recommendations as to the facilities program of the hotels. The following provides a general scope of facilities that should be considered for each of the subject properties.

PROJECT OVERVIEW

Based on discussions with the client and design plans, we are of the understanding that the two subject hotels will be developed in conjunction with a 130,000-square-foot retail center located directly east of the subject site. It is the developer's expectation that the overall project and its multiple components will serve as not only a popular destination for tourists seeking a unique local experience, but also will serve as a yet-unmet sense of place for residents of Rowland Heights, as well as those who work in the eastern San Gabriel Valley area.



The development is planned to utilize the spaces to bolster the project in a synergistic manner, creating a vibrant atmosphere and attracting visitors with its lively dining, retail, and entertainment opportunities. Each component of the development is anticipated to be high-quality and visually appealing to passing travelers along California State Route 60, Gale Avenue, and Nogales Street. The retail component will be located within four one- to two-story structures in a parcel directly east of the subject properties. The retail, entertainment, and food and beverage outlets at the retail center will serve as a de facto amenity to guests of the hotels, as well as a traffic generator to the project's other components.

The primary focus of our analysis is the hotel component of the development. Our projections take into account the assumption that the proposed subject hotels are to be housed in two separate structures on a 5.1-acre site, and it is anticipated that the subject hotels will be operated independently of each other. The overall quality level of the construction and furnishings is to be high. The subject properties will afford enough

versatility to cater to business travelers and discriminating leisure travelers to Rowland Heights and the eastern San Gabriel Valley, while featuring enough meeting space to service group meetings and functions.

SCOPE OF FACILITIES

Overall Quality

The subject hotels will be competing on the local level with six hotels located in Rowland Heights and the nearby cities of Industry, Walnut, and Diamond Bar. These hotels include full-service, select-service, and limited-service properties, and are all considered to be mature and of average to good quality. To appropriately position the subject hotels within the competitive market, the hotels' overall quality level should be at or above the competitive properties. Based on the existing facilities within the market and the subjects' location in Rowland Heights, it is our opinion that the proposed developments should be positioned as an upscale, branded full-service and extended-stay hotel.

As previously mentioned, over the last two years there has been an increase in international travel to the San Gabriel Valley area, primarily from mainland China, Southeast Asia, and India. These travelers are visiting the area to conduct business as well as to visit family and friends that reside in the area. Additionally, there has been a growing interest in real estate property purchases from Asian visitors, both commercial and residential, that has contributed to the increased lodging demand in the San Gabriel Valley. Based on our research the average length of stay of these visitors is approximately three to five days. Further, the subject site is also proximate to other commercial, group, and leisure demand generators that will be crucial for the success of the hotels.

Based on our analysis of the existing supply and measurable demand for hotel room nights in the local market, we are of the opinion that the hotel room night demand within the Rowland Heights market is strong enough to support the addition of one full-service and one extended-stay hotel. There is currently only one upscale full-service hotel in the competitive supply, the Pacific Palms Resort. In addition, our research suggests that demand in this market consists largely of long-term stays as it is mainly driven by both leisure international travelers as well as by commercial international travelers who decide to stay longer for leisure purposes. As such, we are of the opinion that the development of the high-quality full-service and extended-stay properties at the subject site would be supported by the current demand and would also generate additional demand for the market. Further, based on the market in which the subject properties will operate, it is recommended that the hotels align themselves with a brand that will offer competitive assets, such as a reservations system and international sales in order to compete in the greater Los Angeles County market.

275-ROOM FULL-SERVICE HOTEL

Overall Quality Level

As previously mentioned, the subject will be competing on the local level with six full-service, select-service, and limited-service properties, which are all considered to be mature and of average to good quality. To appropriately position the subject within the competitive market, the hotel's overall quality level should be at or above the competitive properties.

Based on conversations with the developer, it is our understanding that the first hotel will be positioned as an upscale, branded, full-service hotel. A full-service hotel is characterized by extensive facilities, amenities, and guest services. Examples of upscale, full-service brands include Hilton, Sheraton, Westin, Renaissance by Marriott, DoubleTree by Hilton, Hyatt, InterContinental, and Wyndham. Given the demand generators in the area, the subject hotel should offer modern amenities suitable for accommodating families, as well as individual guests, and include a full-service restaurant, business services, and functional meeting space designed to serve SMERF and corporate groups. We also recommend the following additional facilities and amenities: pool, fitness center, cocktail lounge area, concierge services, room service, sundry/convenience store, and shuttle service.

Based on the market in which the property will operate, it is recommended that the hotel align itself with a brand that will offer competitive assets such as a reservations system and international sales in order to compete in the greater San Gabriel Valley market. Five of the six hotels in the competitive set are brand name hotels. The brand should reflect a widely recognized chain flag to better serve the diverse market.

Guest Rooms

The proposed subject will consist of 275 guestrooms. Guestrooms will be located on floors two through six of the structure. According to the developer's plans, the hotel's mix of rooms will be as follows:

Proposed Full-Service Hotel			
Guestroom Mix			
Room Type	Number of Rooms	Size (SF)	% of Total
King	122	325	44%
Double Queen	139	360	51
One-Bedroom Suite	9	585	3
Signature Suite	5	595	2
TOTAL	275		100%

Individual guest units will offer either king-size beds or two queen beds in approximately 325 to 360 square feet of guestroom space. Guestroom amenities should include those comparable to an upscale, full-service hotel. Therefore, we recommend that the guest rooms contain a 40" or larger flat-screen, remote-controlled television with on-command movie options; ample sized working desk and ergonomic chair; dual line telephones with data ports and voicemail; wireless internet access; coffee/tea maker; minibar; hairdryer; in-

room safe; iron and ironing board; high quality complimentary toiletries; and other amenities consistent with an upscale, full-service hotel. The suites will be larger in size, approximately 585 to 595 square feet and offer separate sitting and living areas.

Food and Beverage

The ground floor of the full-service hotel will contain a 3,600-square-foot, full-service restaurant, as well as a 600-square-foot bar. Although the local Rowland Heights area is home to many local eateries, the subject presents a unique opportunity to capture additional food and beverage revenue from the local community as there is a lack of upscale dining options in the immediate area. An upscale, sophisticated dining option would attract additional publicity for the subject hotel and would be well positioned to capture demand generated by guests of the hotel, as well as by local patrons within the community. The quality and décor of the restaurant should be in line with the high-quality positioning of the subject hotel. The hotel should also feature a lobby lounge serving cocktails and light fare, as well as provide in-room dining. Back of the house production areas would service all food and beverage services, including meeting rooms.

Meeting Space

We recommend the subject provide adequate meeting space to accommodate functions for SMERF and corporate groups, as well as local association groups. The amount of meeting space should be within the range of available space provided at the competitive properties, which are as follows:

Meeting Space of the Primary Competitive Market			
	SF (Rounded)	# Rooms	SF/Room
Best Western Plus Executive Inn	2,200	135	16
Courtyard Hacienda Heights	1,495	150	10
Holiday Inn Diamond Bar	5,000	176	28
Pacific Palms Resort	45,000	292	154
Ayres Suites Diamond Bar	1,130	101	11
Quality Inn & Suites Walnut	966	92	11
<i>Average</i>	9,299		59

Source: PKF Consulting

According to design plans, the proposed hotel will offer approximately 12,000 square feet of indoor meeting space, which will be configured into a 10,000-square-foot, flexible ballroom, four meeting rooms, one board room, and pre-function space on the ground floor of the subject property. We find this reasonable as it is within the range provided in the competitive set. All available meeting space should be equipped with wireless internet access, independently controlled lighting, and a good quality sound system.

Other Facilities and Amenities

In addition to the abovementioned food and beverage outlets and meeting space, the ground floor of the subject property will include the lobby, and other public areas, such as a business center, a sundry/convenience store, as well as an outdoor pool area with a fire

pit. A 1,490-square-foot fitness center will be located on the third floor of the structure. The fitness center should be modern and include cardio and strength equipment, as well as core and balance kits.

Other facilities and amenities should also include concierge services, laundry facilities and services, and wireless high-speed internet throughout the property. The hotel structure will also include 142 parking spaces on a surface parking lot, 123 spaces in a subterranean parking garage, as well as a bicycle locker that can accommodate 16 bicycles.

Management and Affiliation

We have assumed that the property will be managed by a third party operator. We are not aware of who the operator will be, but have assumed a management team familiar with the operation of a high-quality, full-service hotel. As such, the property will be subject to a franchise fee and a management fee.

202-ROOM EXTENDED-STAY HOTEL

Overall Quality Level

Similarly to the full-service hotel, the second hotel will be competing on the local level with six full-service, select-service, and limited-service properties, which are all considered to be mature and of average to good quality. To appropriate position the subject within the competitive market, the hotel's overall quality level should be at or above the competitive properties. We are of the understanding that the second proposed hotel will be positioned as an extended-stay hotel that can compete in the transient market.

An extended-stay hotel is characterized by larger rooms which are all suites and include a kitchen area, limited food and beverage services and amenities, and enhanced public spaces. Most modern extended-stay properties also offer complimentary breakfast and evening socials to guests. Examples of high quality extended-stay brands would be element by Starwood, Residence Inn by Marriott, Homewood Suites by Hilton, Hyatt House, and Staybridge Suites by InterContinental Hotels Group.

In accordance with our market research, we found support for the proposed 202 guestrooms and recommend the following additional amenities: complimentary hot breakfast, laundry facilities, business services, and pantry/sundry shop as is customary of most extended-stay brands. Based on the market in which the property will operate, it is recommended that the hotel align itself with a brand that will offer competitive assets such as a reservations system and international sales in order to compete in the greater San Gabriel Valley market. As previously noted, five of the six hotels in the competitive set are brand name hotels. The brand should reflect a widely recognized chain flag to better serve the diverse market.

Guest Rooms

The proposed 202-room extended-stay hotel will consist of a mix of suites, including king rooms, king studio suites, king shotgun rooms, as well as double queen suites, on the first through sixth floors of the structure. The room mix for the subject is detailed in the chart below.

Proposed Extended-Stay Hotel			
Guestroom Mix			
Room Type	Number of Rooms	Size (SF)	% of Total
King	45	315	22%
King Studio Suite	45	403-443	22
King Shotgun	42	500	21
Double Queen Suite	70	527-550	35
TOTAL	202		100%

As is customary of extended-stay hotels, the guestrooms are assumed to include the following amenities:

- 40" or larger flat screen television with cable television, premium channels, and in-room movies;
- Work desk and ergonomic chair;
- Sleeper sofa;
- DVD player;
- iPod docking station;
- Dual-line telephones with voicemail and speakerphone options;
- Complimentary high-speed wireless internet access;
- Hairdryer; and,
- Iron and ironing board.

Each unit should include a fully-equipped kitchen with:

- Dining table and chairs;
- Twin-burner stovetop and oven;
- Full-size refrigerator;
- Coffee/tea maker;
- Toaster;
- Microwave oven;
- Dishwasher;
- Sink;
- Cabinets with dinnerware;
- Dish cleaning supplies;
- Silverware and dishes; and,
- Pots and pans.

Food and Beverage

As an extended-stay hotel, the subject property is anticipated to offer a daily complimentary hot breakfast buffet and evening social hour in the ground floor breakfast lounge area. The property should also offer a “Grab-n-Go” breakfast, as well as other for-purchase items from the pantry/convenience store.

Other Facilities and Amenities

Other amenities at the proposed subject property will include: a fitness center, two meeting rooms, on-site laundry facilities and services, an outdoor pool and fire pit, public outdoor recreational spaces, a convenience market, and wireless high-speed internet access throughout the property.

Management and Affiliation

We have assumed that the property will be managed by a third party operator. We are not aware of who the operator will be, but have assumed a management team familiar with the operation of an all-suites, extended stay hotel. As such, the property will be subject to a franchise fee and a management fee.

CONCLUSIONS

These facilities and amenities are recommended to optimize the market position and performance of the subject hotels at the subject site. The proposed subjects are well suited to successfully integrate the immediate area and cater to the various segments of demand. The type, size, and positioning of the proposed hotels accurately reflect the preferences of many travelers to the region, and as such should allow the proposed hotels to capture an appropriate mix of business. Our market projections for the proposed subjects assume these facilities, amenities, and services.

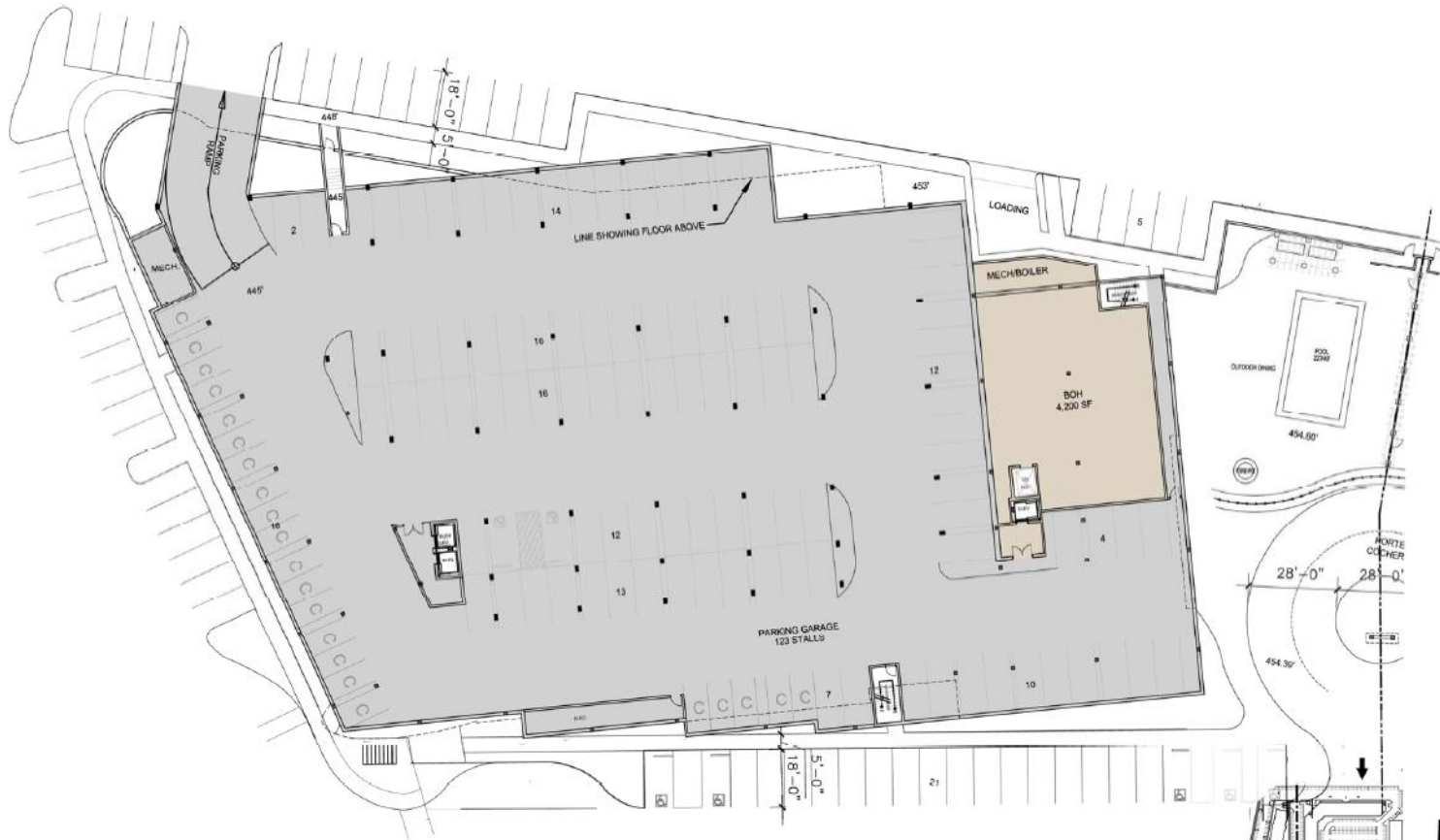
Renderings and floor plans of the subject hotels are provided in the following page.

Proposed Rowland Heights Plaza

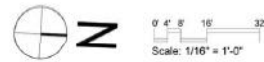




Proposed Full-Service Hotel



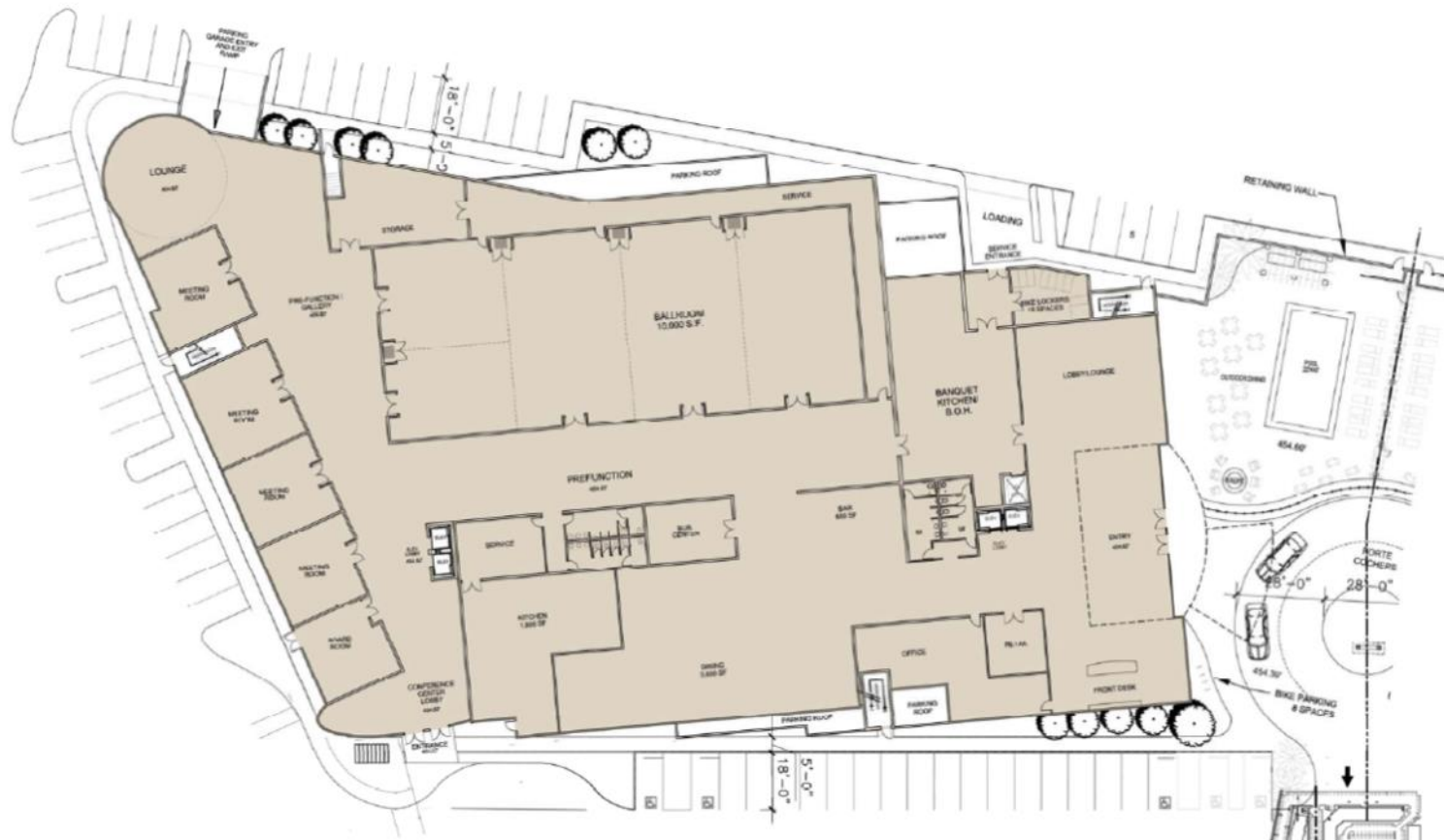
PARCEL 2
FULL SERVICE HOTEL A



AH 1.0

ROWLAND HEIGHTS PLAZA AND HOTEL, ROWLAND HEIGHTS CA

BASEMENT PLAN



PARCEL 2
FULL SERVICE HOTEL A



KEY PLAN



AH 1.1

ROWLAND HEIGHTS PLAZA AND HOTEL, ROWLAND HEIGHTS CA

GROUND FLOOR PLAN



PARCEL 2
FULL SERVICE HOTEL A



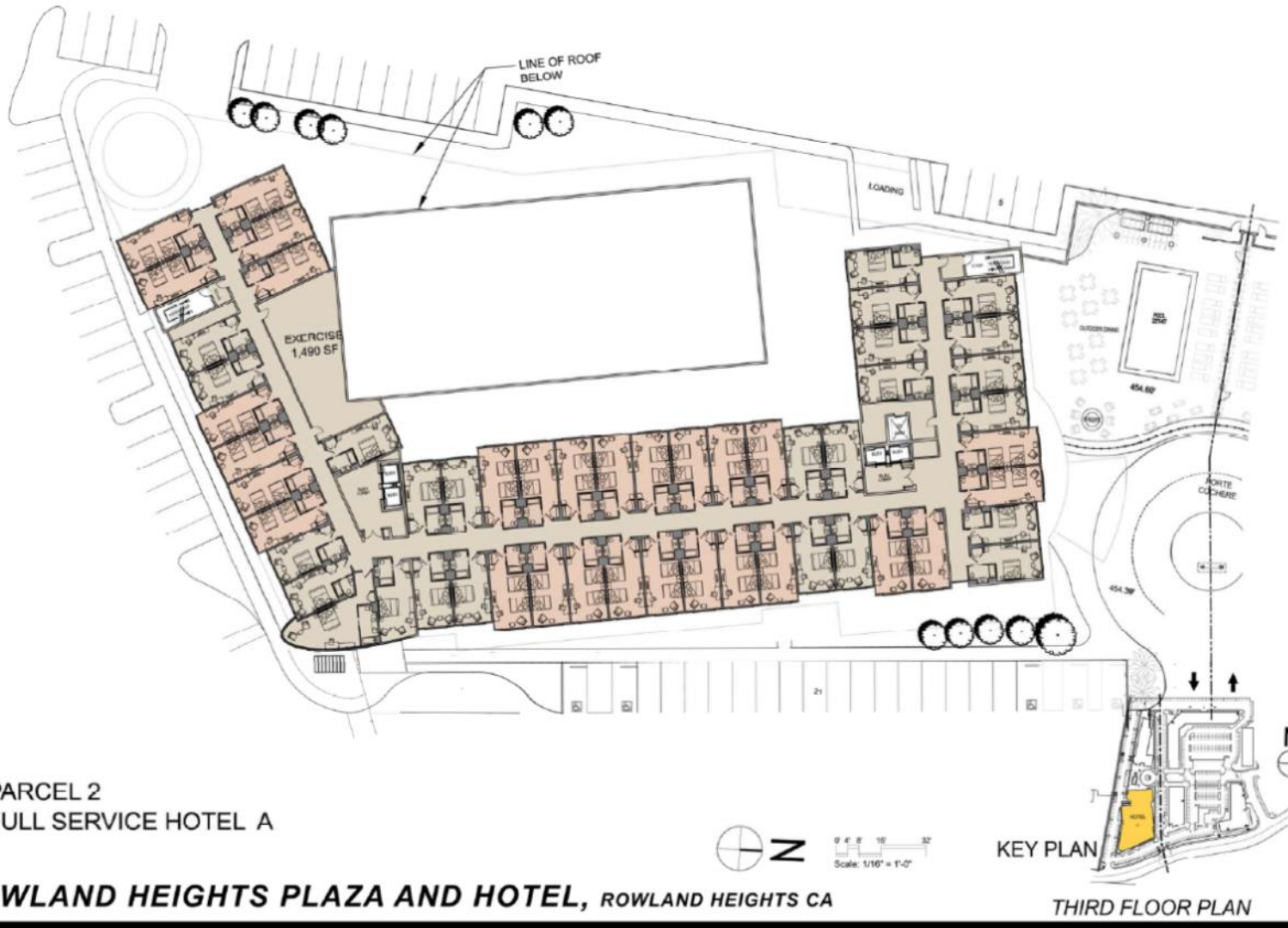
KEY PLAN

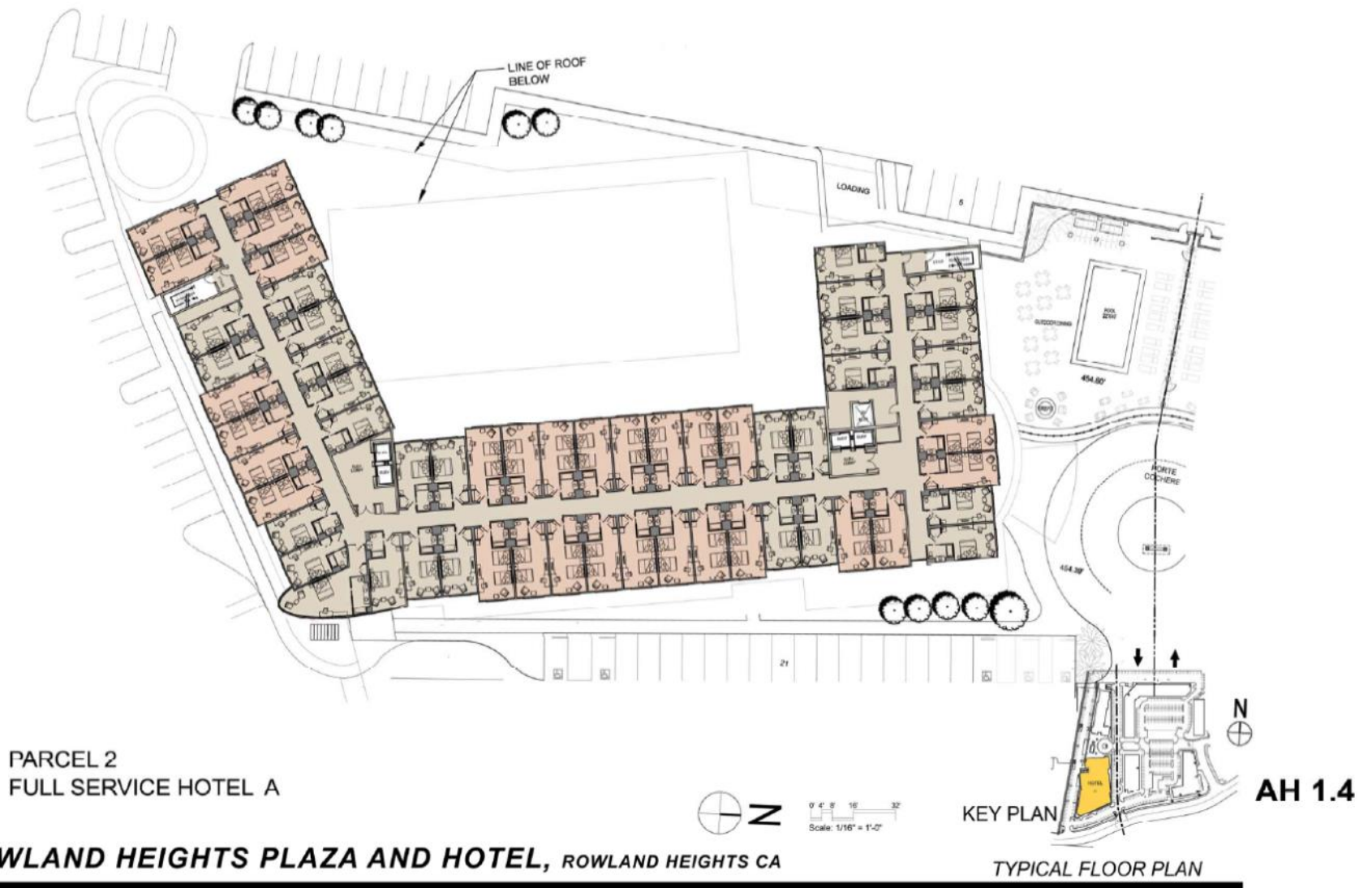


AH 1.2

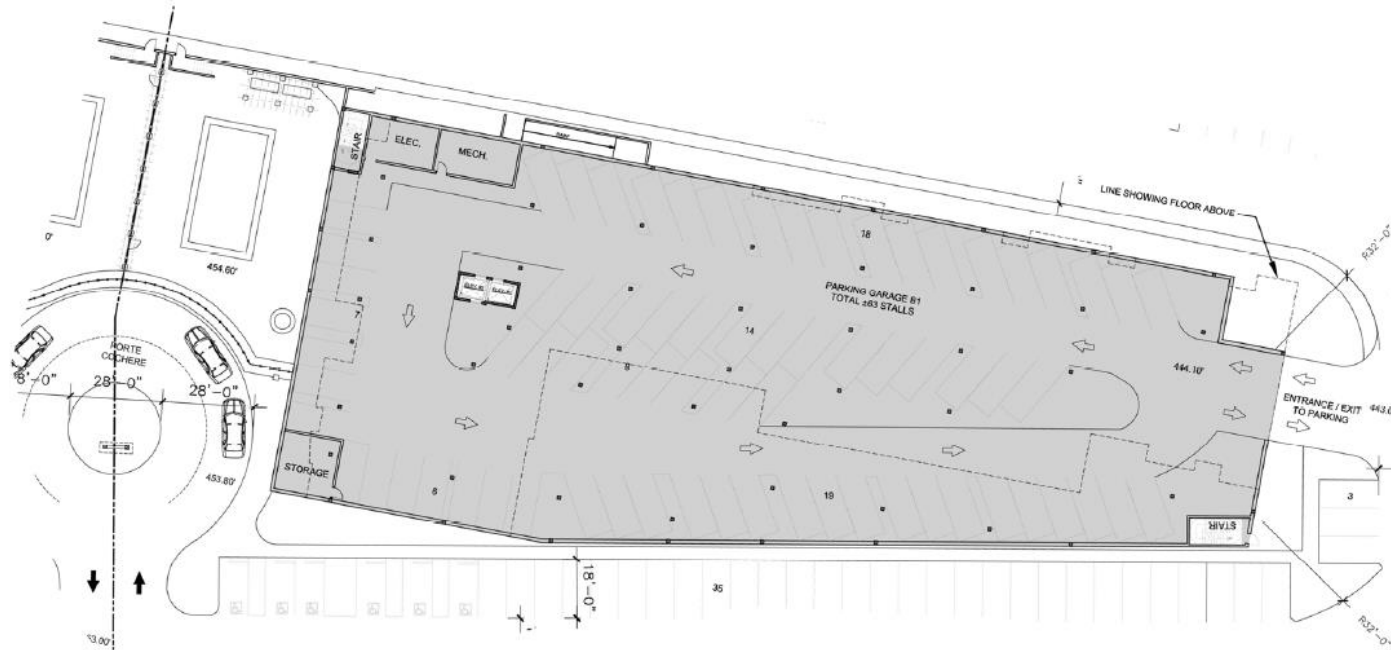
ROWLAND HEIGHTS PLAZA AND HOTEL, ROWLAND HEIGHTS CA

SECOND FLOOR PLAN

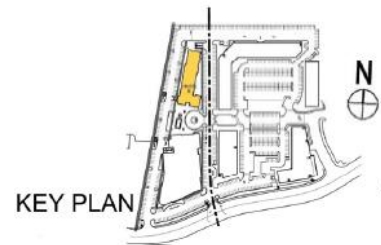








PARCEL 3
EXTENDED STAY HOTEL B



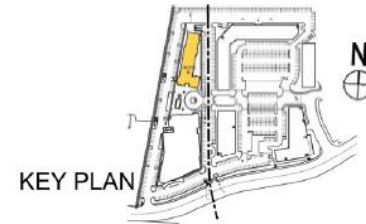
AH 1.6

ROWLAND HEIGHTS PLAZA AND HOTEL, ROWLAND HEIGHTS CA

BASEMENT PARKING PLAN



PARCEL 3
EXTENDED STAY HOTEL B



AH 1.7

KEY PLAN

GROUND FLOOR PLAN

ROWLAND HEIGHTS PLAZA AND HOTEL, ROWLAND HEIGHTS CA



PARCEL 3
EXTENDED STAY HOTEL B



KEY PLAN

AH 1.8

TYPICAL FLOOR PLAN

ROWLAND HEIGHTS PLAZA AND HOTEL, ROWLAND HEIGHTS CA



Porte-Cochere

Section III

AREA REVIEW



AREA REVIEW

INTRODUCTION

The economic climate of the market area encompassing the subject property is an important consideration in forecasting hotel demand and income potential. Historical economic and demographic trends that highlight the amount of visitation or other travel-related indicators provide a basis for hotel demand projections. The purpose of this section is to review available economic and demographic data to determine whether the subject's regional and local market areas might experience future economic growth.

LOS ANGELES COUNTY OVERVIEW

Los Angeles County, otherwise referred to as the Los Angeles-Long Beach Metropolitan Statistical Area (MSA), includes 88 incorporated cities, covers an area of 4,752 square miles, and as of January 2015, had an estimated population of approximately 10.14 million people. In the past 80 years, the county has evolved into a large commercial/industrial urban community and has become the business and financial center of California and the Western United States. The regional economy has become more diversified with a larger number of people employed in services, home-based businesses, motion picture production, computer software development, and other professional services. Recent growth in regional employment has been driven chiefly by gains in education and health services, construction, and government segments of the economy. Overall regional economic activity had increased significantly over the last year. By measure of GDP alone, L.A. County would be larger than Sweden, Norway, Poland, Belgium or Taiwan.

Los Angeles County typically acts as an excellent barometer for the performance of the greater Southern California lodging market. As the largest and most diverse of the major Southern California markets, individual hotel performance often greatly varies. However, when taken as a whole, the growing pains and opportunities of the Los Angeles County area often reflect those seen in other areas.

As with the national economy, the State of California and the Los Angeles area fell into economic recession during the third quarter of 2008. However, today California is back on track to reclaim its status as the Golden State. The steep decline of the economy during the recession was exacerbated by seemingly intractable fiscal challenges that began well before the downturn. Now, after nearly five years of recovery, California and Los Angeles County are on a more solid footing. Although the recovery continues to be slow, the unemployment rate is falling, more people are finding jobs, the housing market is improving and for the first time in years, budget surpluses are in sight.

In December 2014, Los Angeles County supported a civilian labor force of more than 5.0 million workers. Los Angeles County entered 2014 with momentum from a county labor market that slowed during the second half of 2013. In Los Angeles County, unemployment dropped to 7.5 percent in 2014, its lowest level since 2008, and is estimated to drop even further in 2015 and 2016. Recent growth in regional employment has been driven chiefly

by gains in leisure and hospitality, professional, scientific and technical services, healthcare and social assistance, and construction.

This improvement is consistent with the Los Angeles County Economic Development Corporation's (LAEDC) outlook that the economy has continued to move forward in 2015 and will continue to do so in 2016, barring any unforeseen shocks to the national economy. According to the LAEDC the local consumer sector is improving, an all-important fact for retailers and other consumer-serving businesses. As for the business sector, 2014 brought opportunities for emerging as well as existing industries. Over the short to medium term, expansion will continue in the major industries. In addition, Silicon Beach will continue to grow as Silicon Valley companies seek to capitalize on the presence of creative content here in Los Angeles. Also, venture capital will continue to flow to the area as startups in a variety of technology industries grow in number. Finally, even as concerns about funding for government aerospace programs linger, private firms will continue to pursue commercial space ventures from their operations in Los Angeles County and elsewhere in Southern California.

Los Angeles International Airport (LAX), the busiest airport on the West Coast, is a bustling domestic stop and an important international hub. The airport has an enormous impact on tourism and travel in the greater Los Angeles area as many international tourists use LAX as a gateway to the United States. The following table shows the history of passenger travel at Los Angeles International Airport.

Los Angeles International Airport			
Passenger Counts			
2004 – 2014 & YTD 2015			
Year	Domestic	International	Total
2004	44,200,000	16,500,000	60,700,000
2005	44,000,000	17,500,000	61,500,000
2006	44,100,000	16,900,000	61,000,000
2007	45,200,000	17,200,000	62,400,000
2008	43,100,000	16,700,000	59,800,000
2009	41,400,000	15,100,000	56,500,000
2010	43,100,000	15,900,000	59,100,000
2011	45,100,000	16,700,000	61,800,000
2012	46,500,000	17,200,000	63,700,000
2013	48,800,000	17,900,000	66,700,000
2014	51,600,000	19,100,000	70,700,000
CAAG	1.6%	1.5%	1.5%
YTD 4/14	15,870,265	5,860,537	21,730,802
YTD 4/15	16,456,621	6,135,351	22,591,972

Source: Los Angeles World Airports and PKF Consulting USA

Airline travel was impacted by the World Economic Crisis that arose in 2008. Following two years of decline (2008 and 2009), passenger travel at LAX is showing continued signs of recovery, beginning in 2010 and through 2014. Overall, from 2004 to 2014, total passenger counts increased by an aggregate of 1.5 percent annually, and recently reached a record level of more than 70 million passengers. Additionally, through the first four months

of 2015, total passenger arrivals increased by 4.0 percent as compared to the prior period last year.

LAX Modernization

Los Angeles World Airports (LAWA) is in the midst of a multi-billion dollar development program for Los Angeles International Airport (LAX). The centerpiece of the program is the recently Tom Bradley International Terminal Modernization (TBIT) Project which includes new gate and concourse areas and a great hall for luxury dining and retail. LAWA also completed a \$737 million renovation in 2010 of the existing TBIT that upgraded the facility with a new in-line baggage screening system and interior improvements to enhance service and convenience to the passengers and tenants who use LAX's premier international terminal. Additionally, there are several major airfield and facility projects underway that are in support of the development program. These include a new Central Utility Plant, new taxiways and taxi lanes, and renovations to other terminals.

In September 2013, the LAX revealed a \$1.9 billion renovation to its Tom Bradley International Terminal. The renovation included nine new gates big enough to accommodate the Airbus A380, the world's largest passenger airliner. Furthermore, the waiting areas have been upgraded with new furniture, massive art displays, and more than 60 local and luxury restaurants and shops. With the latest expansion, the terminal doubled in size from 1.2 million square feet to 2.2 million. Phase II of the renovation, which will be completed by December 2015, will add nine more gates and update the security and customs areas.

The airport's \$438 million Central Utility Plant project that replaced the 50-year old existing Central Utility Plant (CUP) was completed in March of 2014. The new energy efficient facility with state-of-the-art computerized management systems doubled the airport buildings' cooling capacity, as well as increased the steam-heating capacity of the airport by a third. The plant will generate nearly nine megawatts of electricity for the airport, with any excess being exported to the Department of Power and Water.

The airport's \$7 million Runway Status Light project was completed in September of 2014, and significantly increases the safety on the runways for pilots and passengers. Utilizing lights embedded in the tarmac along the runways, pilots will now be able to visually see whether or not a runway is safe to approach. This, along with the installation of a new advanced ground radar system, ASDE-X, which allows the air traffic control tower to identify the location of all aircraft and vehicles on the runways and taxiways, make LAX's safety measures some of the most modern and advanced available.

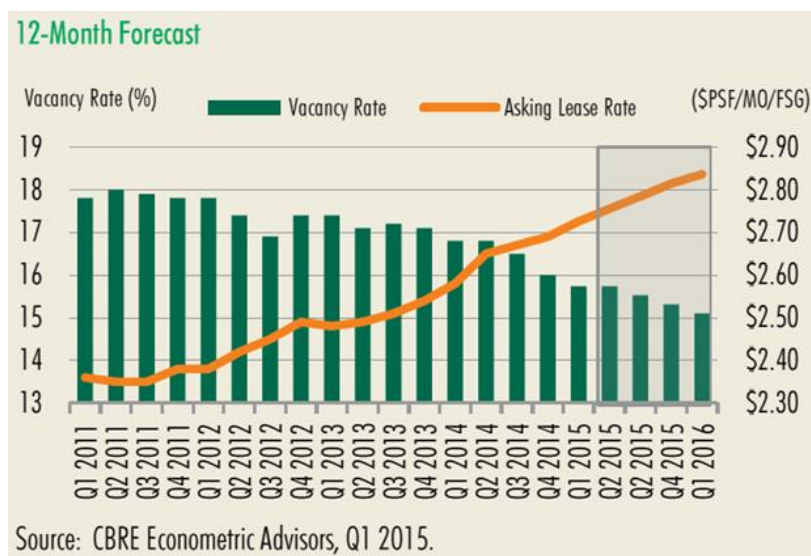
In addition, other planned renovations include the \$270 million Elevator, Escalator, and Moving Walkway project that will replace or refurbish 212 outdated systems with new, modern units throughout the airport; the \$613 million In-Line Baggage Handling & Screening System program will improve and automate the security screening of checked baggage at all LAX terminals and will make travel through LAX safer, faster and more convenient. The total cost of the program covers all nine LAX terminals; the \$508 million

renovation to Terminal 1 in collaboration with Southwest Airlines which will modernize the terminal's outdated equipment and infrastructure, double the amount of available concessions, create a brighter more open lobby, and introduce an automated system to handle checked bags. The project began in the summer of 2014, and is expected to be completed in 2018. The \$229 million renovation/modernization of Terminal 5 will improve passenger service and security with a completed new in-line baggage screening system, expansion and streamlining of the passenger screening check points and international passenger processing facilities. These renovations are expected to be completed by 2016, with the exception of the Terminal 1 renovation.

Office market activity is an excellent indicator of the county's economy. According to CBRE, the Los Angeles County office market consists of the Tri-Cities/Glendale, Los Angeles Downtown, Hollywood/Wilshire Corridor, San Fernando Valley, San Gabriel Valley, mid-Counties, South Bay, and West Los Angeles submarkets. The County recorded a year-to-date net absorption of 2,719,103 square feet at the end of 2014 with the highest level of net absorption for a calendar year since 2005. The Los Angeles office market opened 2015 with an encouraging start as the County posted 500,242 square feet of positive net absorption during the first quarter of 2015 (Q1 2015). Seven out of the ten submarkets showed positive net absorption, with only the Mid-Counties, Tri-Cities, and West Los Angeles having minor negative movement. The amount of net absorption pushed total vacancy rates to 15.4 percent, down from 16.2 percent in the same period in the previous year and up from 15.3 percent in the previous quarter. Weighted average asking rental rates increased to \$2.80 per square foot, per month full service gross, up from \$2.69 per square foot, per month compared to the last quarter and \$2.69 per square foot, per month compared to Q1 2014.

The Greater Los Angeles office market is poised for continued growth during the near term. Office job growth in the local market is forecasted to grow by 28,000 new jobs over the next two years, according to CBRE Econometric Advisors. As a result of the increased office demand, the overall vacancy rate is expected to decline modestly by the end of 2015, while asking lease rates are projected to climb by approximately 4.1 percent over the next 12 months.

The following table summarizes the Greater Los Angeles office market performance from Q1 2011 to Q1 2015, along with CBRE's 12-month forecast.



REGIONAL INFRASTRUCTURE

Los Angeles is located within 500 miles of several large metropolitan areas including San Francisco, San Diego, Sacramento, Phoenix, and Las Vegas. The transportation infrastructure of the region consists of a wide range of services and facilities including regional and international airports, the Ports of Los Angeles and Long Beach, an extensive freeway system, and numerous railroad and bus transit lines. Each component of the region's transportation system is reviewed in the following discussion.

Port of Los Angeles/Long Beach

The Port of Los Angeles is 25 miles south of Downtown Los Angeles and is one of the West Coast's gateways to international commerce. It ranks as the busiest port in the U.S. and nineteenth busiest in the world. The Port of Los Angeles is located in San Pedro Bay and encompasses 7,500 acres, 43 miles of waterfront and features two passenger terminals and 21 cargo terminals, including container, automobile, and dry and liquid bulk. In 2014, these 21 terminals handled a combined 176.4 million metric revenue tons of cargo, equating to about \$290.2 billion in cargo value. In 2014, the Port moved an estimated 8.3 million TEUs (20-foot equivalent units), a 5.1 percent increase over 2013. The port generates approximately 1.2 million jobs in California, and accounts for 19.3 percent of the nation's total loaded TEUs. With a 2015 capital improvement budget of \$281 million, the port is expected to continue upgrading and expanding its production.

The Port of Long Beach, directly next to the Port of Los Angeles, is the second busiest port in the U.S. only behind its sister Port of Los Angeles. With 3,000 acres of land and 4,600 acres of water, the port features 22 shipping terminals that handle nearly 1/3 of all loaded containers passing through California's ports. In 2014, the port handled 63.1 million metric tons of cargo, and moved approximately 6.7 million TEUs, totaling approximately \$183 billion in handled cargo. The port generates 316,000 jobs in Southern California, and 1.4 million jobs throughout the U.S.

Recently, both the Port of Los Angeles and the Port of Long Beach endured a slowdown by the International Longshore and Warehouse Union lasting from the end of November 2014 through February 2015, creating a traffic jam of hundreds of cargo ships carrying millions of dollars of cargo. Although a tentative agreement was reached on February 20, 2015, it is expected to take months for the backlog to be completely cleared, meaning an even longer continued effect on the economies of Southern California, California as a whole, and the entire nation.

Rail and Bus

Amtrak and Greyhound serve Los Angeles and the Southern California region in providing nationwide passenger train and bus service.

Los Angeles continues to expand its passenger rail line capabilities with the Metropolitan Transportation Authority (MTA) opening up passenger rail lines, many of which are subterranean, that extend from Downtown Los Angeles to locations throughout Los Angeles County. Estimates from November 2014 place combined rail and bus ridership at average weekday boardings of 1.5 million and average Saturday, Sunday, and Holiday boardings (combined) of over 1.6 million.

Metro Rail is the rapid transit rail system consisting of six separate lines (the Red, Purple, Blue, Expo, Green, and Gold lines) serving 80 stations in the Los Angeles County, California area. It connects with the Metro transit-way bus rapid transit system (the orange line and silver lines) and also with the Metrolink commuter rail systems. The system, which has an average daily weekday ridership of 356,367 as of November 2014, is owned and operated by the Los Angeles County Metropolitan Transportation Authority (Metro) and started service in 1990. It has been extended significantly since that time and several further extensions are either in the works or being considered.

The MTA is accelerating 12 new expansion projects of the MetroRail as part of their 30/10 initiative, which will use Measure R sales tax revenues to fund completion of 30 years' worth of construction in only ten years. The 30/10 initiative is projected to create 160,000 new jobs, and on an annual basis add 77 million boardings, decrease mobile source pollutions by 521,000 pounds and gasoline by 10.3 million gallons, and reduce vehicle miles traveled by 191 million. The map on the following page shows current MTA rail lines and projected new lines from the 30/10 Initiative.



In addition to commuter rail, Union Pacific and other rail lines provide freight capability from extensive rail yards just east of Downtown Los Angeles.

TOURISM INDICATORS

Important trends that indicate the health of Los Angeles area tourism include total visitor volume statistics, Los Angeles Convention Center bookings, and the performance of hotels located throughout Los Angeles County, as measured by PKF Consulting’s 2015 Southern California Lodging Forecast.

Total Visitor Volume

According to Los Angeles Tourism & Convention Board, total visitation to Los Angeles County in 2014 was approximately 44.2 million people, reflective of a 4.8 percent increase over 2013, marking the fifth consecutive year of record-breaking tourism. The increase in total visitation experienced in 2014 marks a five-year climb in visitor numbers seen in Los Angeles County. International visitors made one of the largest impacts on Los Angeles' tourism with 6.5 million visitors to the city, a 4.8 percent increase over 2013, with the largest share of overseas visitors coming from China.

In 2014, direct tourism spending rose with visitors accounting for \$19.6 billion in expenditures, a 6.8 percent increase over 2013. The tourism board notes that nearly one-third of the total was spent by foreign visitors since they tend to stay longer and spend more per person. These numbers represent an all-time high for both visitors and spending in the history of the county.

The overall increase in visitation stems from Los Angeles Tourism & Convention Board's successful digital, television, and online advertising campaigns launched in multiple domestic feeder cities such as San Francisco, San Diego, Phoenix, New York City coupled with improvements made to the city's tourism website, discoverLosAngeles.com. Furthermore, to spread awareness abroad, the tourism board operates two tourism offices in the cities of Shanghai and Beijing in China. The following table summarizes the number of overnight visitors to Los Angeles County and their direct spending between 2004 and 2014. According to the Los Angeles Tourism & Convention Board, the total overnight visitor count was 29.2 million in 2014, with an estimated contribution of \$19.6 billion to the local economy. In 2014, the total economic impact of tourism to the Los Angeles County's economy was \$30.2 billion.

Overnight Visitor Volumes and Expenditures Los Angeles County				
Year	Overnight Visitation (Millions)	Percent Change	Direct Spending (Billions)	Percent Change
2004	24.3	9.5%	\$12.0	9.1%
2005	25.0	2.9	12.9	7.7
2006	25.7	2.8	13.6	5.4
2007	25.9	0.8	14.2	4.4
2008	25.7	(1.2)	13.8	(2.8)
2009	23.9	(7.0)	11.8	(14.5)
2010	26.1	8.4	14.1	19.5
2011	27.0	4.2	15.2	7.8
2012	27.9	3.7	16.5	7.1
2013	28.5	4.5	18.3	6.1
2014	29.2	2.5	19.6	6.8

Source: CIC Research and L.A. Inc.

Transient Occupancy Tax

One method of tracking visitor trends is by analyzing the transient occupancy tax (TOT) revenue, also known as bed tax revenue. The TOT reflects taxes on room revenue for lodging facilities in the City of Los Angeles. The TOT rate in Los Angeles is currently 14.0

percent. This revenue has experienced a 5.8 percent compound annual growth rate from 2001/02 to 2013/14. Assuming that all hotels located within the city have been paying room tax on a regular basis, the following table highlights the increase in occupancy and/or average daily rate experienced by these hotels.

Transient Occupancy Tax Revenue		
City of Los Angeles		
2001/02– 2013/14 (Fiscal)		
Year	Tax Revenue	Percent Change
2001/02	\$ 93,867,000	N/A
2002/03	92,652,000	-1.3%
2003/04	97,988,000	5.8
2004/05	127,752,000	30.4
2005/06	126,989,000	-0.6
2006/07	134,557,000	6.0
2007/08	148,523,000	10.4
2008/09	136,323,000	-8.2
2009/10	118,500,000	-13.1
2010/11	134,798,000	13.8
2011/12	149,258,000	10.7
2012/13	157,808,000	12.4
2013/14	184,382,000	16.8
CAAG	5.8%	

Source: LA City Administrative Office

Los Angeles Convention Center

The main demand generator for large convention and meeting activity in Los Angeles is the Los Angeles Convention Center, which contributes a large number of annual group room nights to the Los Angeles hotel market. The center offers approximately 720,000 square feet of exhibit hall space and 150,000 square feet of meeting space split between its two halls. Its enclosed space makes it one of the largest meeting and convention facilities in the country. The Los Angeles Convention Center is owned and historically has been operated by the City of Los Angeles. Its operation has been privatized and AEG assumed management of the Center as of December 8, 2013. The following table presents the actual and projected room nights generated by the Los Angeles Convention Center through 2019, based on definite convention bookings as of May 2015. It can be anticipated that additional conventions will continue to be booked in 2015 and beyond for the coming years.

Los Angeles Convention Center Current and Projected Activity				
Year	Definite ¹	Tentative ²	Prospect ³	Total Room Nights
2004	226,414			226,414
2005	187,225			187,225
2006	171,463			171,463
2007	112,876			112,876
2008	231,695			231,695
2009	178,376			178,376
2010	207,320			207,320
2011	256,529			256,529
2012	290,528			290,528
2013	187,623			191,823
2014	212,586			212,586
2015	221,416	11,635	5,935	238,986
2016	172,513	129,384	69,627	371,524
2017	84,335	182,852	254,863	522,050
2018	35,282	123,992	218,115	377,389
2019	67,543	91,901	178,316	337,760

¹Contracted peak and total rooms for executed LACC License Agreement.
²As executed a Letter of Agreement.
³A group considering Los Angeles as a meeting destination for which a Sales Lead has been issued.
Source: Los Angeles Tourism & Convention Board and PKF Consulting USA

The cyclical nature of bookings from year to year reflects a typical pattern for most convention markets, in part because many major conventions either meet in alternate years or in alternate cities. Numbers for 2005 through 2007 showed a lower than average room night count as convention groups remained smaller, fewer conventions were booked, and groups reserved room nights independently and therefore did not get counted as convention center bookings. However, with growing anticipation for the continued development in downtown Los Angeles, booking pace has notably improved.

Los Angeles Convention Center Rehabilitation

The Los Angeles Convention Center is slated for a renovation and upgrade in the coming years to bring the quality of the center up to par with other west coast convention centers including San Diego, San Francisco, and Las Vegas. Previous plans called for renovations to be performed at the Convention Center in tandem with the construction of Anschutz Entertainment Group's (AEG) Farmers Field Football Stadium. AEG, however, announced in March of 2015 that it was unable to secure a NFL football team and would no longer be moving forward with the Farmer's Field/Convention Center plans.

The main concerns regarding the Convention Center revolve around the difference in age and condition of the older West Hall and newer South Hall, as well as the lack of contiguous meeting space between the two. As currently configured, the two halls are separated by a concourse more than 700 feet long over West Pico Boulevard. Plans put forth by the city call for the construction of a new hall in place of the concourse to span the distance between the two current halls, providing contiguous usable space for convention-goers within the structure. The plan, which would bolster the size of the Convention

Center to about 1.0 million square feet, is expected to cost between \$300 and \$350 million dollars.

Several architecture firms have been tapped to prepare designs for the project, and according to the Chief Legislative Analyst’s office, final design and financing details are expected to be decided upon by the end of the year as the plan goes before the City Council. The purpose of the design competition, launched in late 2014, was to solicit creative design solutions for the future development and expansion of the Convention Center. The competitors were asked to address a series of goals and criteria including, but not limited to: a commitment to the environment, a point of view on the “futurization” of conference centers, and overall creativity and budget. The three final teams selected are led by the following architects: AC Martin Inc. and LMN Architects, Gensler and Lehrer Architects, and HMC Architects and Populous.

In terms of the **Los Angeles hotel market**, 2012 year saw a shift from 2011 with strong increases in average daily rate, amid a slight positive shift in demand as represented by the increase in occupied room nights. The overall county lodging market has seen a faster recovery than anticipated, from when the economy began to falter in the latter part of 2007. These hotel submarkets either slowed in growth or reversed to a decline in terms of both occupancy and average daily rate, in the fourth quarter of 2008. As the hotel market continued to recover, occupancy and average daily rate posted positive gains in 2012, 2013, and 2014, and are forecast to show continued positive growth through 2015.

The table below displays our Los Angeles County lodging sample set in terms of average daily and total annual rooms supply, annual occupied rooms, market occupancy percentage, and average daily room rate. These statistics illustrate the total lodging supply and demand for the county, including all types of lodging properties. Overall occupancy levels and average daily room rates reflect the composite forecast for the submarkets presented herein, extrapolated to the overall Los Angeles County hotel supply. The table presented below includes the sum of our aggregated sub markets, extrapolated to the overall supply.

Los Angeles County Historical Market Performance of the Competitive Supply										
Year	Daily Supply	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2009	97,555	35,607,575	N/A	24,117,920	N/A	67.7%	\$137.03	N/A	\$ 92.82	N/A
2010	96,380	35,178,700	-1.2%	25,164,280	4.3%	71.5	138.94	1.4%	99.39	7.1%
2011	95,354	34,804,210	-1.1	26,126,076	3.8	75.1	147.05	5.8	110.39	11.1
2012	99,220	36,215,440	4.1	28,267,746	8.2	78.1	154.81	5.3	120.84	9.5
2013	99,259	36,229,675	0.0	28,935,677	2.4	79.9	162.00	4.6	129.38	7.1
2014E	100,483	36,676,404	1.2	30,035,151	3.8	81.9	172.17	6.3	141.00	9.0
2015F	101,610	37,087,736	1.1	30,519,434	1.6	82.3	182.69	6.1	150.33	6.6
CAAG	0.7%	0.7%		4.0%			4.9%		8.4%	

Source: PKF Consulting

Los Angeles County finished 2013 at an occupancy rate of 79.9 percent. This signifies an increase in occupied room nights of 2.4 percent amidst a flat increase in annual supply. With supply increasing in 2014 at 1.2 percent, we estimate that the county's occupancy will have increased to 81.9 percent as occupied room nights grow by 3.8 percent. In 2014, we estimate ADR to have increased to \$172.17, an increase of 6.3 percent. With supply increasing in 2015 at 1.1 percent, we forecast that the county's occupancy will increase to 82.3 percent as occupied room nights increase by 1.6 percent. In 2015, we forecast ADR to increase to \$182.69, an increase of 6.1 percent. It should be noted that many submarkets and the County as a whole are experiencing occupancy levels above their long term averages and, in some cases, previous highs. Thus, it is difficult to forecast strong growth in occupied rooms with a constrained supply growth.

AREA CONCLUSIONS

Los Angeles is home to a very large population base. Air access to the county is very good with the Los Angeles International Airport and the numerous regional airports. Los Angeles is also the center of the entertainment industry and numerous media companies ensuring adequate press coverage. While the current economic uncertainty has had an impact across all industries, Los Angeles continues to present a viable place to do business and is expected to continue to recover as economic signs continue to improve in 2015 and beyond.



NEIGHBORHOOD ANALYSIS

SAN GABRIEL VALLEY OVERVIEW

Introduction

The San Gabriel Valley is bordered by the San Gabriel Mountains to the north, Los Angeles County and Orange County boundary to the south, San Bernardino County line to the east and Interstate 5 to the west. The San Gabriel Valley includes approximately 30 incorporated cities of Alhambra, Arcadia, Azusa, Baldwin Park, Bradbury, Claremont, Covina, Diamond Bar, Duarte, El Monte, Glendora, Industry, Irwindale, La Cañada Flintridge, La Puente, La Verne, Monrovia, Monterey Park, Pasadena, Pomona, Rosemead, San Dimas, San Gabriel, San Marino, Sierra Madre, South El Monte, South Pasadena, Temple City, Walnut, and West Covina, as well as unincorporated areas of Los Angeles County.

The San Gabriel Valley was settled in 1771 and was known for its abundant harvest of wheat, corn, barley, citrus fruits and herds of cattle and sheep. Today, the San Gabriel Valley is home to many corporations such as Edison International, Avery Dennison Corporation, Jacobs Engineering Group, Trader Joe's Company, Ameron International Incorporated, and Panda Restaurant Group. With over 400 square miles, the 30 cities within this suburban area are located approximately 10 to 20 miles north and east of the City of Los Angeles.

Transportation

Highway

There are seven freeways and expressways serving the San Gabriel Valley, including the I-210, I-10, I-605, SR 60, SR 57 and SR 71. These provide excellent access to the whole of Southern California, and to the ports of Long Beach and Los Angeles.

Air

Air service within the San Gabriel Valley is provided by the Los Angeles International Airport (LAX) and Ontario International Airport (ONT). Located approximately 55 miles east of Los Angeles International Airport (LAX), the Ontario International Airport provides air passenger services to the residents of and visitors to the eastern portions of Southern California. In addition, ONT also provides a large portion of air cargo service (especially for the package delivery industry) for the Greater Los Angeles region.

LA/Ontario International Airport (ONT) is a medium-hub, full-service airport with direct service to major US cities and several international destinations. It is located approximately 38 miles east of downtown Los Angeles. LA/Ontario International Airport's service area includes San Bernardino and Riverside Counties and portions of north Orange County and East Los Angeles County. The following table provides year-end data on LA/Ontario International Airport passenger and cargo statistics from 2002 through 2014, and year-to-date statistics through April 2015.

Volume of Air Traffic LA/Ontario International Airport		
Year	Passengers	Cargo (Tons)
2002	6,517,050	547,461
2003	6,547,877	571,892
2004	6,937,337	605,132
2005	7,213,528	575,369
2006	7,049,904	544,600
2007	7,207,150	532,865
2008	6,232,761	481,284
2009	4,886,695	391,060
2010	4,808,241	392,427
2011	4,551,875	417,686
2012	4,305,426	454,880
2013	3,969,974	460,535
2014	4,127,278	474,346
*CAAC	-3.5%	-1.1%
YTD 4/14	1,289,410	149,759
YTD 4/15	1,309,847	155,220

*CAAC = Compound Annual Average Change
Source: Los Angeles World Airports

With the continued rising costs of fuel and airline cutbacks, LA/Ontario International Airport lost nearly one third of its flights between 2008 and 2010, making the airport one of the nation's hardest hit by an industry-wide rush to cut flights amid difficult economic conditions. However, in the mid to long-term, healthy growth is still expected as many of the area's other airports are unable to expand to accommodate the anticipated increases in demand. It was estimated by the Southern California Association of Governments (SCAG) that LA/Ontario International Airport could service as many as 20 million air passengers by 2025. However, given the recent steep declines this estimate may be overstated. Since 2006, 2014 marked the first year that recorded an increase in passenger volume, showing small signs of recovery, despite the majority of airlines reducing flights to the airport. Recently, the Ontario International Airport Authority has reached out to Los Angeles World Airports, who also operates LAX International Airport, to work out terms to take control back of Ontario International Airport. The negotiations have stalled as of late-2014, however, as the two parties are hundreds of millions of dollars apart on their desired price to go through with the transition. Although chances for the buyout to occur seem slim, such a change would allow Ontario to better compete with other Southern California destinations and ultimately benefit the local and regional communities as a whole.

San Gabriel Valley Office Market

The San Gabriel Valley office market is a relatively small market, comprised of approximately 192 buildings offering 13.7 million square feet and represents five percent of the total office space in Los Angeles County. The San Gabriel Valley office market is inclusive of: the 210 Corridor, Alhambra, City of Industry, Covina, Diamond Bar, El Monte, Monterey Park, Pomona, South El Monte, and West Covina. Most of the tenants located in San Gabriel Valley are firms predominantly in the insurance, finance, and professional services sectors.

According to CBRE, the vacancy rate for commercial office space was 10.4 percent in the first quarter of 2015, down from 12.0 percent in the previous quarter and 12.1 percent recorded in the first quarter of 2014. The San Gabriel Valley submarket recorded a positive 221,100 square feet of net absorption in the first quarter of this year, with Alhambra, Monterey Park, and Pomona all posting over 50,000 square feet of net absorption. The weighted average asking lease rate decreased from \$1.95 per square foot recorded in 4Q 2014 to \$1.93 per square foot, per month, full service gross. There is currently 166,408 square feet of Class A office space under construction, which presents Majestic Realty's Crossroads Business Park in the City of Industry. The Park at Crossroads is located at 13300 Crossroads Parkway North and is slated for delivery in the second quarter of 2015. The building will be delivered 56 percent occupied, with 93,058 square feet of space that has already been pre-leased by Bank of the West.

Demographic and Economic Indicators

Manufacturing, distribution, transportation, communications, utilities, research and development, finance, construction, law, architecture, accounting, engineering medicine, education, retail, business and financial services are established industries within the San Gabriel Valley. Due to a pro-business attitude and strong relationship between business and government including individual cities' Chambers of Commerce, San Gabriel Valley Council of Governments, the Economic Council, and the San Gabriel Valley Commerce and Cities Consortium, business owners have a means of networking throughout the Valley.

Business is regional in the valley, with each of the cities and communities contributing unique character and amenities to the entire region, while retaining distinct economic profiles. Pasadena is the financial hub of the area, boasting an array of some of the top names in banking, financial services and engineering. In recent years, entertainment firms have been making an incursion into the city. Monrovia has become a business center, and numerous neighborhood retail centers continue to spring up throughout the valley.

The City of Industry is the center of manufacturing, distribution and warehousing. Similar in profile, on a smaller scale, is Irwindale, with a small population and a burgeoning business district. The central valley area encompassing El Monte, South El Monte and Baldwin Park, is known for a broad spectrum of manufacturing companies, from smaller, family-owned businesses to large-scale operations with many employees. The influx of immigrants has bolstered the economy of Monterey Park and Arcadia, while creating new shopping center and banking offices in Hacienda Heights, Rowland Heights, Alhambra and Walnut.

Many familiar names, including Fortune 500 companies, can be found among the family manufacturers in the San Gabriel Valley, including:

- Miller Brewery in Irwindale;
- Southern California Edison in Rosemead;
- Jacobs Engineering Group in Pasadena;
- Converse Consultants in Monrovia; and,
- Trader Joe’s in Monrovia.

The San Gabriel Valley is also home to world renowned research institutions such as:

- Cal Tech Jet Propulsion Laboratories;
- City of Hope;
- Huntington Library; and,
- Huntington Medical Research Institutes.

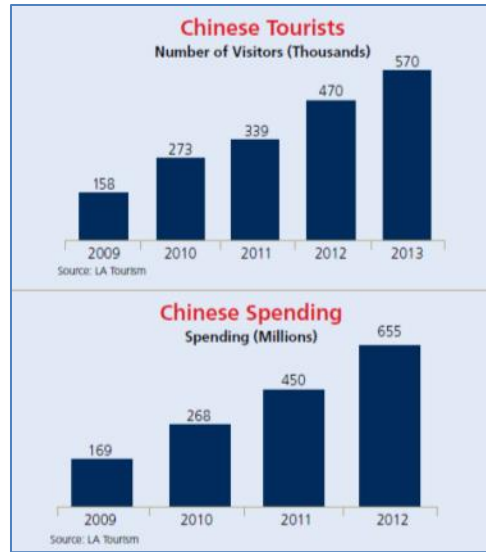
Further, cultural icons such as the Rose Bowl in Pasadena, the Gardens in San Marino, Arcadia’s Arboretum, and La Cañada’s Descanso Gardens are also located in the San Gabriel Valley. Many popular sports and entertainment complexes are found in the San Gabriel Valley including Arcadia’s Santa Anita Park (horse racing), the Fairplex in Pomona, and the Toyota Speedway at Irwindale.

Foreign Investment

The valley is also a beneficiary of immigration and foreign investment, particularly from Asia. The large pockets of Chinese communities provide a hospitable environment for Chinese business people, and these demographic advantages have allowed the San Gabriel Valley to benefit from the increased business and economic activity. Some key Chinese companies present in Los Angeles County include: Bank of China, the top ranking international trade finance bank in China; China Telecommunications Corporation, a state-owned enterprise telecom operator on the 2014 Fortune Global 500 list; and Dacheng Law Offices, the largest law firm in all of Asia. Furthermore, some of China’s most prominent and active real estate enterprises, such as Dalian Wanda Group, Shenzhen New World Group, and Shanghai Greenland Holding Group, are actively investing in and developing residential, commercial, and hospitality real estate projects in Los Angeles County.

Inbound Chinese Tourism

The number of Chinese tourists visiting Los Angeles was just 158,000 in 2009. According to the Los Angeles Tourism and Convention Board, China is now the number one overseas market for the County of Los Angeles. In 2012, the total inbound visitor count from China was 459,000, up 35.5 percent over 2011, which was followed by a further increase of 21.3 percent in 2013, with a count of approximately 570,000 inbound Chinese travelers to Los Angeles County.

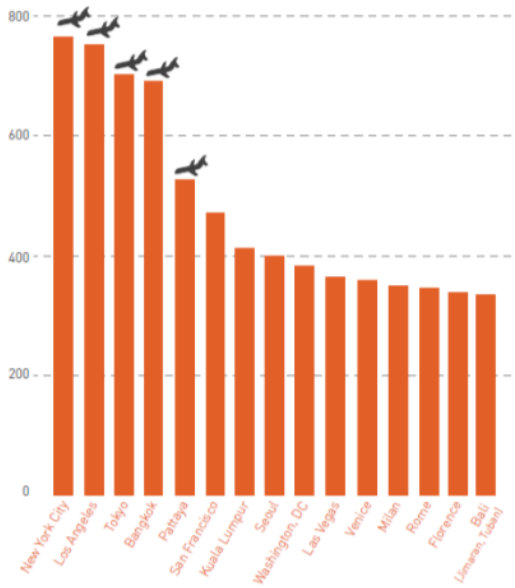


As a direct result of this surge in Chinese tourism, the San Gabriel Valley has witnessed an economic transformation as tourism brings spending and attracts investment. Chinese tourists are looking for familiar, authentic Chinese food and services, all of which are provided in the suburban residential enclaves in San Gabriel Valley. Due to its central location in Los Angeles County as well as the familiarity that the local area businesses provide to inbound Chinese travelers, many Chinese tourists choose to stay in the San Gabriel Valley during their visit as they visit the many leisure attractions all throughout Southern California. Starting November 12, 2014, Chinese applicants who qualify for nonimmigrant visas may now be issued multiple-entry visas for up to ten years for business and tourist travel.

Shopping is one of the most popular activities among international visitors to the area, especially with Chinese consumers. Because luxury products are heavily taxed abroad, Asian travelers allocate a significant amount of their travel budget to shopping. A number of proposed developments in the City of El Monte and surrounding neighborhoods include significant retail components, and these additional area amenities are anticipated to build on the San Gabriel Valley's image as an ideal destination for international visitors to Los Angeles County. The dramatic tourism growth has and will continue to translate into new commercial development, including hotels, restaurants, shopping centers, and luxury retail. According to a report conducted by Oxford Economics for InterContinental Hotels Group, China overtook the United States as the largest source of international travel spending in 2014.

Chinese traveller arrivals to top city destinations

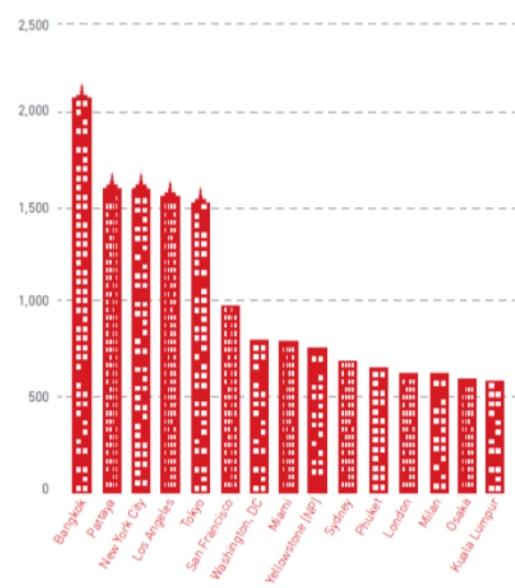
Absolute growth in thousands, 2013 - 2023



Source: Tourism Economics

Chinese traveller hotel nights in top city destinations

Absolute growth in thousands, 2013 - 2023



Source: Tourism Economics

The outlook for Chinese tourism growth is positive. A recent analysis by CLSA Asia-Pacific Markets predicts that the number of Chinese visitors to the U.S. will more than triple from 1.5 million in 2012 to 5.7 million by 2020. Nearly half of all Chinese traveling to the U.S. visit California and over 72 percent of those visiting California come to Los Angeles County. According to Oxford Economics, Los Angeles is anticipated to see nearly triple the number of Chinese visitors over the next eight years with a growth of approximately 752,000 arrivals or around 1,566,000 hotel room nights. The influx of travelers in the future is anticipated to benefit hotels, restaurants, cultural venues, tourist attractions, luxury brand retails and the overall Los Angeles County economy.

COMMUNITY OF ROWLAND HEIGHTS

INTRODUCTION

The subject properties are to be located in the unincorporated community of Rowland Heights. The purpose of this section is to review available economic and demographic data for the community of Rowland Heights as the economic climate of the immediate market area is an important consideration in forecasting hotel demand and income potential.

LOCATION

Rowland Heights is an unincorporated community in Los Angeles County that encompasses approximately thirteen square miles. This area was previously a part of the Mexican Rancho La Puente. In 1842, the land was sold to John Rowland and William Workman. Eventually, the land was divided and the Workman Temple Homestead was established near what is now the intersection of Gale Avenue and Nogales Street. Over time, the extension of the Pomona Freeway and the trend toward suburbanization spurred growth eastward into the area. Once a rural community with citrus and avocado farms, Rowland Heights became an established suburban community in the 1980's and 90's as Chinese and Korean immigrants transformed the region into a heavily Asian middle-class suburbia.

The community of Rowland Heights is bounded by the City of Industry to the north, Diamond Bar to the east, unincorporated areas of Los Angeles County and Brea to the south, and Hacienda Heights to the west. It is located approximately 23 miles east of downtown Los Angeles and 20 miles north of Anaheim. It is bounded by two major freeways that provide convenient access to the greater Los Angeles region: California State Route 60 (Pomona Freeway) and State Route 57 (Orange Freeway).

DEMOGRAPHICS

Rowland Heights offers an exceptional quality of life that has attracted an affluent resident base. According to the 2010 Census, the population of Rowland Heights is estimated at 48,993. These residents enjoy income and educational levels that are higher than California and the nation as a whole. The average household income of Rowland Heights residents is estimated to be approximately \$85,600, as compared to \$67,300 nationally and \$79,500 for California.

According to the U.S. Census Bureau, the Asian population made up of 59.8 percent of the total population in Rowland Heights as of 2010, up 950 basis points since the 2000 U.S. Census. This makes it one of the few communities with a majority population of Asian descent in the United States. The "Chinese" population in Rowland Heights and San Gabriel Valley is fairly diverse, in terms of linguistics, socio-economics and regions of origin. With continued growth in emerging Asian countries, it is generally expected that California, especially the San Gabriel Valley area, will benefit from increased leisure travel and business activities from the Asian countries.

Employment

Unemployment rates in Rowland Heights have historically been below that of the State of California and Los Angeles County. The unemployment rate reached its lowest level at 3.2 percent in 2006. The unemployment rate began increasing in 2007 and continued to increase through 2010 as a result of the sluggish economy caused by the subprime mortgage meltdown and credit crisis throughout the nation. Unemployment rates in Rowland Heights have experienced four years of decreases since then as economic fundamentals continue to improve with year-end 2014 posting an unemployment rate of 4.3 percent. As of April 2015, the unemployment rate in Rowland Heights was 3.7 percent. As a comparison, unemployment rates for the State of California and Los Angeles County were 6.1 and 7.1 percent, respectively, for the same period.

Employment Statistics for Rowland Heights				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2004	24,800	23,800	1,000	4.1%
2005	25,100	24,200	900	3.6
2006	25,400	24,600	800	3.2
2007	25,700	24,800	900	3.4
2008	25,800	24,500	1,300	5.1
2009	25,300	23,300	2,000	7.9
2010	25,200	23,000	2,200	8.7
2011	25,300	23,200	2,100	8.4
2012	25,200	23,300	1,900	7.5
2013	24,500	23,200	1,300	5.2
2014	24,900	23,800	1,100	4.3

Source: California Employment Development Department

Rowland Heights Community Center

In April of 2015, the Rowland Heights Community Center opened at the Pathfinder Park. The community center consists of two buildings situated around a shared courtyard in the lower section of Pathfinder Park. The facility includes a 4,500-square-foot multi-purpose hall with a stage that can accommodate seating for up to 300 people, as well as a new kitchen for catering purposes. The other building includes another 3,500 square feet of multipurpose space with special wood flooring for recreation classes. New tennis courts, computer room, arts and crafts room, gallery, basketball court, children’s play area, and expanded on-site parking are also included as part of the community center. The community center is anticipated to boost the overall quality of life for residents in the area and provide them with a place where members of the community can experience and hold cultural events and engage in recreational activities. Designed by Gonzalez Goodale Architects in Pasadena, the County-owned community center is operated by the Los Angeles County Department of Parks and Recreation.

SURROUNDING NEIGHBORHOODS

City of Industry

Of the approximate 12 square miles that comprises the City of Industry, land use is 92 percent industrial and eight percent commercial. With only 3.1 percent of the total land area in the San Gabriel Valley, the City of Industry is a source of more than 37 percent of all basic manufacturing jobs and represents the economic base of over 210,000 additional jobs in the surrounding area. Of the approximately 2,500 businesses located in the City of Industry, manufacturing companies include: Closet World, Teledyne, Sunrider, and Viewsonic. Retail companies include Costco, Wal-Mart, Best Buy and Target. Non-manufacturing companies include Sysco Food Service, Freshpoint, and Sweda. Businesses are served by the Union Pacific and Southern Pacific transcontinental railroads, with direct connection to the Los Angeles Harbor and Port of Long Beach.

Industrial Market

According to CBRE Research, the San Gabriel Valley industrial market comprises 147.2 million square feet and represents 16 percent of the total industrial space within the Los Angeles Basin. This area has a significant concentration of firms in the high-tech sector and import/export-related businesses. The San Gabriel Valley is a mid-sized local population serving industrial market and a larger distribution/manufacturing hub in Southern California. Lack of developable space, a desirable location, and tight market conditions make the San Gabriel Valley an attractive place for owners of industrial real estate as well as investors looking to purchase buildings. As such, the last few quarters have seen an increase in sales and investment demand, especially within the City of Industry.

With a total of 77 million square feet of industrial space, the City of Industry submarket is the largest submarket within the San Gabriel Valley and is historically the one with the greatest amount of activity. According to CBRE, the vacancy rate for industrial space in the Industry submarket decreased to 1.1 percent in the first quarter of 2015 from 1.4 percent in the previous quarter. The Industry submarket recorded a year-to-date positive net absorption of 631,300 square feet through the first three months of the year. The weighted average asking lease rate was \$0.70 per square foot, triple net, up from \$0.62 per square foot recorded in the fourth quarter of 2014.

Los Angeles Stadium at Grand Crossing

Majestic Realty Co. is proposing to develop a new 75,000-seat NFL stadium in the City of Industry. Sitting at the crossroads of four counties, the proposed Los Angeles Stadium will be situated on a 592 acre site and provide access to over 15.5 million people, playing host to thousands of fans each Sunday during football season. This project is entitled and was approved by the City of Industry in 2010; the



project is contingent upon the NFL authorizing a team to relocate to Los Angeles County. The preliminary development program for the proposed NFL stadium includes the 75,000-seat stadium, retail shops, restaurants, live theater, movie theater, office buildings, and hotel. Although the project has been entitled since 2010, we note that the NFL are currently evaluating other sites in the Cities of Carson and Inglewood.

City of Pomona

The City of Pomona is one of Southern California's oldest municipalities, dating back to its date of incorporation in 1881, and has been an economic hub for the county. The City is well located relative to some of the busiest transportation corridors in Southern California and benefits from its location within Los Angeles County and the Inland Empire. The area is home to: two renowned medical facilities, including the 453-bed Pomona Valley Hospital Medical Center and the nationally recognized Casa Colina Hospital for Rehabilitative Medicine; four educational institutions, including the California State Polytechnic University, Pomona and the DeVry Institute of Technology; and, the 487-acre Los Angeles County Fairplex, which is home to the Los Angeles County Fair.

FUTURE ECONOMIC OUTLOOK AND CONCLUSION

The community of Rowland Heights is a known, identifiable area within the San Gabriel Valley region of Southern California. Overall, we anticipate that the general economy will continue to experience steady, yet sustainable growth throughout the San Gabriel Valley. Furthermore, the leisure amenities and strong commercial demand drivers in the Los Angeles County region should continue to generate hotel demand. The location of Rowland Heights makes it ideally positioned to penetrate the regional demand segments. With its convenient geographical location to local amenities and positive outlook of economic growth, the community will be well suited for the development of the proposed full-service and extended-stay hotels. As economic fundamentals continue to show forward momentum, we anticipate that the Rowland Heights and east San Gabriel Valley area will continue to grow and gain future prominence in the county.

Section IV

MARKET ANALYSIS

HOTEL MARKET ANALYSIS

OVERVIEW

The future performance of a hotel is directly related to the supply of and demand for hotel rooms within the subject's market area. Accordingly, an analysis of the local area's hotel market is a key component of the analysis of the subject. The following is a discussion of the competitive hotel market for the proposed subject hotels in Rowland Heights.

MARKET ANALYSIS

Competitive Supply

In order to identify the competitive market for the proposed subjects, we analyzed the overall east San Gabriel Valley lodging market, focusing on the Rowland Heights area. Given the defining characteristics of the proposed subject hotels and their local market, we selected six properties containing 947 rooms that represent the local market in which the subject hotels will compete. The selection of the competitive supply was based on each property's location, number of guestrooms, size of meeting space, support facilities and amenities, room rate structure, and market orientation relative to the subject properties.


Given the anticipated quality level, positioning, and guestroom counts, the proposed hotels will be well-positioned to compete outside of the Rowland Heights community and on a larger regional basis for corporate, leisure, and group travelers. The competitive properties have been selected based on their facilities, location, market performance and orientation, property rating, and rate structure. Although there are a number of additional properties in Rowland Heights and other surrounding areas, we have not included these for a number of reasons, including positioning, location, and rate structure. The competitive supply offers a reasonable basis of historical demand and operating performance on which to base our projections of the subject.

The following chart presents the competitive set for the proposed hotels in Rowland Heights. A map indicating their locations, a description of each of the competitive hotels and a discussion of the potential additions to the competitive supply are presented on the subsequent pages.


Competitive Supply		
Map Code	Property	Number of Rooms
Subject 1	Proposed Full-Service Hotel	275
Subject 2	Proposed Extended-Stay Hotel	202
1	Best Western Plus Executive Inn	135
2	Courtyard Hacienda Heights	150
3	Holiday Inn Diamond Bar	176
4	Pacific Palms Resort	292
5	Ayres Suites Diamond Bar	102
6	Quality Inn & Suites Walnut	92
Total Competitive Supply (not including subjects)		947
Source: <i>PKF Consulting</i>		



**Competitive Property Number One
Best Western Plus Executive Inn**


<u>Location</u>	<u>Description</u>
Address: 18880 East Gale Avenue Rowland Heights, CA 91748 Distance from the Subject: 0.1 miles east	Guestrooms: 135 Year Opened: 1988 Configuration: Exterior Corridor
<u>Facilities & Amenities</u>	<u>Picture</u>
<ul style="list-style-type: none"> • 2,200 SF of Meeting Space • Complimentary Breakfast • Outdoor Pool and Whirlpool • 24-Hour Business Center • Complimentary Wireless Internet Access in Public Spaces and Guestrooms • Room Amenities: <ul style="list-style-type: none"> ○ 42" Flat-Panel Television with Premium Cable Channels and In-Room Movies ○ Oversized Desk with Ergonomic Chair ○ Refrigerator ○ Microwave Oven ○ Nintendo ○ Coffee Maker ○ Hair Dryer 	
<u>Condition & Renovations</u>	<u>Historical Performance</u>
<p>The property has completed ongoing renovations as necessary and remains in average condition given the age of the hotel. The conference facilities at the property were recently updated.</p>	<p>In 2014, the Best Western Plus Executive Inn performed above the competitive market average in terms of occupancy and below the market average in terms of average daily rate.</p>

**Competitive Property Number Two
Courtyard Hacienda Heights**

<u>Location</u>	<u>Description</u>
Address: 1905 South Azusa Avenue Hacienda Heights, CA 91745 Distance from Subject: 2.3 miles southwest	Guestrooms: 150 Year Opened: 1990 Configuration: Interior Corridor
<u>Facilities & Amenities</u>	<u>Picture</u>
<ul style="list-style-type: none"> • 1,495 SF of Meeting Space • The Bistro (Breakfast and Dinner) • Outdoor Pool • Fitness Center • Complimentary Wireless Internet Access in Public Spaces and Guestrooms • Room Amenities <ul style="list-style-type: none"> ○ 32" Flat Screen Television with Premium Cable Channels ○ Alarm Clock ○ Coffee Maker ○ Iron and Ironing Board ○ Mini Refrigerator (Some Rooms) ○ Desk with Ergonomic Chair ○ Pull-Out Sofa Bed ○ Hair Dryer ○ Telephone with Voicemail 	
<u>Condition & Renovations</u>	<u>Historical Performance</u>
<p>The Courtyard Hacienda Heights completed a renovation to its lobby, café, and meeting rooms in May 2011 to conform to the new "Courtyard Refreshing Business" concept. More recently, the property completed a comprehensive rooms renovation in April 2013. This property is in very good condition.</p>	<p>In 2014, the Courtyard Hacienda Heights performed above the competitive market average in terms of both occupancy and average daily rate.</p>

**Competitive Property Number Three
Holiday Inn Diamond Bar**

<u>Location</u>	<u>Description</u>
Address: 21725 Gateway Center Drive Diamond Bar, CA 91765 Distance from the Subject: 3.5 miles east	Guestrooms: 176 Year Opened: 1990 Configuration: Interior Corridor

<u>Facilities & Amenities</u>	<u>Picture</u>
<ul style="list-style-type: none"> • 2,400 SF of Meeting Space • DB’s Grille & Lounge • In-Room Dining • 24-Hour Business Center • Fitness Center • Complimentary Wireless Internet Access in Public Spaces and Guestrooms • Outdoor Pool and Whirlpool • Laundry/Valet Service • Automated Teller Machine • Room Amenities: <ul style="list-style-type: none"> ○ Flat-Panel Television with Premium Cable Channel ○ Stereo ○ Work Desk ○ Two Dual Line Telephones with Voicemail and Speakerphone ○ Hair Dryer ○ Coffee Maker ○ Mini Refrigerator ○ Iron and Ironing Board 	


<u>Condition & Renovations</u>	<u>Historical Performance</u>
Recent renovations at the Holiday Inn Diamond Bar include replacement of soft goods in guestrooms, new carpet in corridors, meeting space, and restaurant, and pool resurfacing. This property is in average condition.	In 2014, the Holiday Inn Diamond Bar performed below the competitive market average in terms of both occupancy and average daily rate.

**Competitive Property Number Four
Pacific Palms Resort**

<p align="center"><u>Location</u></p> <p>Address: 1 Industry Hills Parkway City of Industry, California 91744</p> <p>Distance from Subject: 2.6 miles northwest</p>	<p align="center"><u>Description</u></p> <p>Guestrooms: 300 Year Opened: 1980 Configuration: Interior Corridor</p>
<p align="center"><u>Facilities & Amenities</u></p> <ul style="list-style-type: none"> • 45,000 SF of Meeting Space • Cima Restaurant • Red Restaurant and Bar’s • Hot Spot Lounge • In-Room Dining • 36-Hole Industry Hills Golf Club • 11,000 SF The Spa at Pacific Palms • Fitness Center • Business Center • Outdoor Pool and Whirlpool • Pet Friendly • Room Amenities: <ul style="list-style-type: none"> ○ 40” Flat-Screen Television with Premium Cable Channels and Pay-Per-View Movies ○ Complimentary Wireless Internet Access in Guestrooms ○ Coffee Maker ○ Complimentary Newspaper ○ Work Desk with Ergonomic Chairs ○ In-Room Safe ○ Mini Bar ○ Hair Dryer ○ Iron and Ironing Board ○ Separate Living and Sleeping Areas, Sofa Bed, and Turndown Service in Suites 	<p align="center"><u>Picture</u></p> 
<p align="center"><u>Condition & Renovations</u></p> <p>In 2007, the Pacific Palms Resort unveiled a \$60 million renovation which included a comprehensive room renovation, the addition of a new restaurant and spa, and upgrades to two golf courses and meeting space. This property recently completed infrastructure upgrades in 2014, which include replacing the HVAC systems. The property has completed minor renovations as necessary and is in fair condition.</p>	<p align="center"><u>Historical Performance</u></p> <p>In 2014, the Pacific Palms Resort performed below the competitive market average in terms of occupancy and above the market average in terms of average daily rate.</p>


**Competitive Property Number Five
Ayres Suites Diamond Bar**

<u>Location</u>	<u>Description</u>
Address: 21954 Golden Springs Drive Diamond Bar, California 91765 Distance from Subject: 4.2 miles east	Guestrooms: 102 Year Opened: 1998 Configuration: Interior Corridor

<u>Facilities & Amenities</u>	<u>Picture</u>
<ul style="list-style-type: none"> • 1,130 SF of Meeting Space • European-Inspired Décor • Complimentary Breakfast • Heated Outdoor Pool and Whirlpool • Laundry/Valet Service • Evening Refreshments (Monday through Thursday) • Business Services • Cardiovascular Room • Pet Friendly • Complimentary Wireless Internet Access • Room Amenities <ul style="list-style-type: none"> ○ Ayres Dream Sleeper Bedding Package ○ 32" Flat Screen Television ○ iHome MP3 Alarm Clock Radio ○ Microwave Oven ○ Refrigerator ○ Coffee Maker ○ Writing Desk and Chair ○ Hair Dryer ○ Iron and Ironing Board ○ Complimentary Newspaper 	

<u>Condition & Renovations</u>	<u>Historical Performance</u>
<p>A comprehensive renovation to the property commenced in August 2013 and was completed in June 2014. The renovation included renovations of the guestrooms, the lobby, and an expanded cardiovascular fitness room.</p>	<p>In 2014, the Ayres Suites Diamond Bar performed above the competitive market average in terms of both occupancy and average daily rate.</p>

**Competitive Property Number Six
Quality Inn & Suites Walnut**

<u>Location</u>	<u>Description</u>
Address: 1170 Fairway Drive Walnut, California 91789 Distance from Subject: 1.4 miles east	Guestrooms: 92 Year Opened: 1990 Configuration: Interior Corridor
<u>Facilities & Amenities</u>	<u>Picture</u>
<ul style="list-style-type: none"> • 966 SF of Meeting Space • Complimentary Breakfast • Outdoor Swimming Pool and Whirlpool • Complimentary Wireless Internet Access • Business Center • Fitness Center • Laundry/Valet Services • Pet Friendly • Room Amenities <ul style="list-style-type: none"> ○ Color Television with Premium Cable Channels and Pay-Per-View Movies ○ In-Room Desk ○ Hair Dryer ○ Iron and Ironing Board ○ Refrigerator ○ Telephone with Voicemail ○ Complimentary Newspaper ○ Coffee Maker 	
<u>Condition & Renovations</u>	<u>Historical Performance</u>
The Quality Inn & Suites was built in 1990 and has had regular upkeep over the years. The property is in average condition.	The Quality Inn & Suites Walnut performed below the competitive market average in terms of both occupancy and average daily rate in 2014.

Additions to Supply

In conducting our investigations regarding the potential for additions to supply in the subjects' competitive market, we interviewed county representatives and neighboring cities planning officials, as well as general managers from other properties in the area. In doing so, we identified two potential addition to supply in the neighboring City of Industry. The previously noted, preliminary design programs for the proposed Los Angeles Stadium at Grand Crossing in the City of Industry include one hotel. Furthermore, we are also aware of a Hilton-branded hotel that has been proposed to be located within the Canyon Marketplace development along Colima Road in Rowland Heights. As these projects are considered to be speculative, we do note them as a potential addition to supply but have not included them in our market projections.

There is a 160-room La Quinta hotel under construction located at 3200 West Temple Avenue in the City of Pomona. The project represents a substantial renovation of an existing 1985-built hotel which previously operated as a Shilo Inn. The new hotel is expected to open in August 2015. Given the location, quality, and market orientation of this hotel, we have not included it in our analysis. We are further aware that the ownership of this property has proposed to redevelop the Hilltop Suites Hotel located at 3101 West Temple Avenue; however, a brand has not yet been decided for the hotel. We note that these two hotels are located eight miles northeast of the subject site and will not directly compete with the subject.

Furthermore, there are a substantial number of proposed full-service, select-service, and extended-stay hotels currently under development in the western San Gabriel Valley area, particularly in the Cities of San Gabriel, Monterey Park, Rosemead, and El Monte. While these markets do not offer direct competition, it should be noted that the development of these western San Gabriel Valley projects could have a material effect on the assumptions and results associated with this study.

HOTEL ROOMS DEMAND

Demand for hotel rooms is categorized in three ways:

- **Demonstrated Demand**: the demand already captured at competitive hotels;
- **Induced Demand**: the demand that does not presently seek accommodations in the competitive market, but could be persuaded to do so through marketing efforts, room rates, facilities, services and amenities.
- **Unsatisfied Demand**: the demand that seeks accommodations in the market but is not satisfied due to one of a number of factors: sell-outs during peak season; lack of a particular type of accommodation; lack of meeting space; or high room rates.

Historical Performance of the Competitive Supply

The aggregate average annual available and occupied rooms, resulting occupancy levels, average daily rate, and revenue per available room (RevPAR) for this sample set between 2010 and 2014, as well as year-to-date performance through April 2014 and 2015, are presented in the following table.

Historical Market Performance of the Competitive Supply									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2010	345,290	N/A	203,023	N/A	58.8%	\$95.46	N/A	\$56.13	N/A
2011	345,290	0.0%	229,569	13.1%	66.5	97.08	1.7%	64.55	15.0%
2012	345,655	0.1	249,725	8.8	72.2	102.33	5.4	73.93	14.5
2013	342,735	-0.8	260,645	4.4	76.0	104.95	2.6	79.81	8.0
2014	343,830	0.3	272,557	4.6	79.3	111.65	6.4	88.50	10.9
CAAG	-0.1%		7.6%			4.0%		12.1%	
YTD 4/14	114,610	N/A	85,709	N/A	74.8%	\$112.00	N/A	\$83.75	N/A
YTD 4/15	115,340	0.6%	86,634	1.1%	75.1%	118.80	6.1%	89.23	6.5%

Source: PKF Consulting USA

In 2012, the Ayres Suites replaced one meeting room with a guestroom, resulting in a 0.1 percent growth in rooms supply over 2011. In the following year, the competitive market experienced a 0.8 percent decrease in rooms supply as the Ayres Suites took an average of eight rooms out of inventory to complete a comprehensive rooms renovation. A 0.3 percent increase in rooms supply was observed in 2014 as these rooms came back into inventory in June 2014. Year-to-date through April, the annual rooms supply experienced a 0.6 percent increase with the Ayres fully reopened following its renovation.

Over the same period, demand for rooms, as demonstrated by occupied room nights, grew at a compound average annual growth (CAAG) rate of 7.6 percent. In 2010, the market reached a period-low occupancy rate of 58.8 percent due to economic recession. However, due to improving economic fundamentals, the competitive market has achieved four consecutive years of increases in occupied room nights, ending 2014 with an occupancy of 79.3 percent. Year-to-date through the first four months of this year, occupied rooms increased by 1.1 percent, which resulted in an occupancy of 75.1 percent for the competitive market.

The average daily room rate (ADR) of the competitive set increased by 4.0 percent on an average annual basis over the last five years. Similar to occupancy, the competitive market average daily rate has achieved four consecutive years of growth due to strong increases in demand, ending 2014 with an average daily rate of \$111.65, a high in the historical period. With the market operating at its capacity, hoteliers in the local market are in the position to push for rate growth, with is evident by the 6.1 percent year-over-year increase in average daily rate through April. As a result of increases in both occupancy and average daily rate, revenue per available room (RevPAR), a combination of occupancy and average daily room rate, increased at an average rate of 12.1 percent annually over the five-year period.

MIX OF DEMAND

The demand captured by the competitive supply is derived from the leisure, group, and corporate market segments. The following table summarizes the 2014 mix of demand for the competitive market.

Competitive Market 2014 Mix of Demand		
Market Segment	Room Nights	Ratio
Commercial	121,400	45%
Leisure	59,800	22
Group	91,300	34
Total	273,000	100%

Source: PKF Consulting USA

In 2014, the corporate segment accounted for approximately 45 percent of captured demand in the competitive set. This is primarily due to the large concentration of businesses in the San Gabriel Valley which attract transient commercial demand to the area. The leisure market accounted for an estimated 22 percent of the total demand. The group market segment, which consists of tour groups, social group functions, sports groups, corporate meetings, incentive meetings, and association meetings, represented 34 percent of the total occupied rooms in 2014.

Using the historical growth in the market as a base and taking into account the current demonstrated and future projected economic conditions, we have estimated future growth in overall market demand. Each market segment is discussed in the following paragraphs, followed by a discussion and summary table setting forth our estimated growth in supply and demand.

Commercial Market Segment

In 2014, the commercial segment accounted for 45 percent or approximately 121,400 room nights of captured demand in the competitive set. Corporate market demand is derived from businesses located in the San Gabriel Valley area, as well as sales people making calls in the area. Both mid-size businesses and corporate headquarters attract all levels of visitors, from corporate executives to sales people. The area businesses also attract people for sales, training, workshops, and planning which leads to both individual corporate and group business. The commercial demand segment typically includes less price-sensitive individual business travelers as well as contract business with major corporations at negotiated room rates. Commercial travel is heaviest Monday through Thursday nights. The average length-of-stay for commercial travelers is approximately 2.5 days. These travelers have a preference for hotels that are located near where they are conducting business, offer services and amenities related to conducting business, and are affiliated with a recognizable and reliable brand name.

In 2015, we estimate that the commercial market segment will experience growth of three percent per year throughout the projection period. We have induced 6,000 commercial room nights between 2019 and 2020, as well as 8,000 room nights in 2022 to account for

the additional demand that will be generated with the introduction of the subject hotels into the competitive market. We anticipate that with their newer facilities, these properties will be able to attract additional demand to the market, in part from neighboring markets that are lacking quality hotel supply.

Leisure Market Segment

Leisure market demand includes all persons who visit the San Gabriel Valley area for pleasure. Similar to other hotels in the competitive market, the leisure demand segment tends to have strong weekend (Friday through Monday) travel patterns, but not seasonal fluctuations, due to the year-round temperate climate of Southern California. The properties in the competitive market attract a good amount of leisure business which emanates primarily from travelers visiting Los Angeles County and its many tourist attractions as well as friends, and family. Leisure travelers are concerned with the hotel's proximity to area leisure attractions. Room size is also an important consideration for the leisure traveler as it balances with the hotel's amenities and orientation. Leisure travelers are typically more price sensitive than other types of travelers and have a longer average length-of-stay. Leisure travelers tend to use hotels on weekends and at certain times of the year. They have a preference for hotels with recreational amenities.

As outlined in the table on the previous page, the leisure segment represents 22 percent of the total occupied rooms in 2014, or 59,800 total nights. Beginning in 2015 and for the remainder of the projection period, we estimate a 3.0 percent annual growth for this segment, in line with the general level of economic growth. We project that a total of approximately 4,000 room nights of leisure demand will be induced into the market between 2018 and 2019 and 5,000 room nights in 2022 with the introduction of the subject hotels entering into the market.

Group Market Segment

In 2014, the group segment accounted for approximately 91,300 room nights, or 34 percent of total demand. The group market segment consists of room nights associated with international tour groups, social functions, and corporate meetings. With the influx of Asian travelers to the area, hotels in the competitive set have experienced expanding tour and travel group bookings. Group demand is also generated from SMERF (Social, Military, Educational, Religious, and Fraternal) group functions, association meetings, and businesses in the area holding meetings at the hotels in the competitive set.

We estimate that the group market segment will grow at 3.0 percent in 2015 and each year thereafter. With its expansive meeting facilities, we estimate that a total of 12,000 group room nights will be induced into the market with the introduction of the full-service property in 2019 and 2020. Further, we project that a total of approximately 2,000 room nights of group demand will be induced into the market in 2022 when the extended-stay hotel enters the market.

Summary of Demand Growth and Market Occupancies

The competitive market ended 2010 at a historically low level of occupancy of approximately 59 percent. As the economy and hotel industry began to recover, occupancy in the market continued to ramp up to a high of approximately 79 percent in 2014. We estimate that market occupancy will remain at 79 percent until 2020, when the market reacts to the annualized rooms of the full-service hotel entering the market, which will drop market occupancy down to 78 percent. Occupancy is estimated to remain at 78 percent in 2021 before decreasing to 74 percent in 2022 with the introduction of the extended-stay hotel. As the market absorbs the new supply, we project that market occupancy will increase to 75 percent in 2023, reaching its stabilized level of occupancy.

While the market may fluctuate above and below this number, we are of the opinion that an occupancy of 75 percent is appropriate for this particular market considering the supply and demand patterns, seasonality, and mix of business within the competitive market. This stabilized occupancy is in line with the average historical occupancy of the competitive market and the current market dynamics. The projected future growth in supply and demand is presented in the following table.

Proposed Rowland Heights Hotels Competitive Market Estimated Future Growth in Lodging Supply and Demand 2014 - 2023										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ROOMS SUPPLY	939									
Additions/(Deletions) to Supply										
Proposed Full-Service Hotel						138	137			
Ayres Suites Diamond Bar	3	5								
Proposed Extended-Stay Hotel									202	
Cumulative Rooms Supply	942	947	947	947	947	1,085	1,222	1,222	1,424	1,424
Total Annual Rooms Supply	343,830	345,655	345,655	345,655	345,655	396,025	446,030	446,030	519,760	519,760
Growth Over the Prior Year	0.3%	0.5%	0.0%	0.0%	0.0%	14.6%	12.6%	0.0%	16.5%	0.0%
DEMONSTRATED DEMAND IN BASE YR										
Commercial	121,422	45%								
Leisure	59,815	22%								
Group	91,320	34%								
TOTAL DEMONSTRATED DEMAND	272,557	100%								
INDUCED/(UNSATISFIED) DEMAND										
Commercial		0	0	0	0	3,000	3,000	0	8,000	0
Leisure		0	0	0	0	2,000	2,000	0	5,000	0
Group		0	0	0	0	6,000	6,000	0	2,000	0
TOTAL INDUCED/(UNSATISFIED) DEMAND		0	0	0	0	11,000	11,000	0	15,000	0
GROWTH RATES										
Commercial		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Leisure		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Group		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
PROJECTED DEMAND										
Commercial										
Demonstrated	121,422	125,065	128,817	132,681	136,662	140,762	148,074	155,607	160,275	173,323
Induced/(Unsatisfied)	0	(3,415)	(7,167)	(11,032)	(15,012)	(3,285)	3,000	(4,478)	8,000	(2,479)
Total	121,400	121,600	121,600	121,600	121,600	137,500	151,100	151,100	168,300	170,800
Growth Over Prior Year	N/A	0.2%	0.0%	0.0%	0.0%	13.1%	9.9%	0.0%	11.4%	1.5%
Leisure										
Demonstrated	59,815	61,610	63,458	65,362	67,323	69,342	73,483	77,747	80,079	87,632
Induced/(Unsatisfied)	0	(1,683)	(3,531)	(5,435)	(7,395)	(1,096)	2,000	(2,237)	5,000	(1,253)
Total	59,800	59,900	59,900	59,900	59,900	68,200	75,500	75,500	85,100	86,400
Growth Over Prior Year	N/A	0.2%	0.0%	0.0%	0.0%	13.9%	10.7%	0.0%	12.7%	1.5%
Group										
Demonstrated	91,320	94,060	96,881	99,788	102,782	105,865	115,221	124,858	128,603	134,521
Induced/(Unsatisfied)	0	(2,569)	(5,391)	(8,297)	(11,291)	1,273	6,000	(3,593)	2,000	(1,924)
Total	91,300	91,500	91,500	91,500	91,500	107,100	121,200	121,300	130,600	132,600
Growth Over Prior Year	N/A	0.2%	0.0%	0.0%	0.0%	17.0%	13.2%	0.1%	7.7%	1.5%
Total Market Demand	272,500	273,000	273,000	273,000	273,000	312,800	347,800	347,900	384,000	389,800
Growth Over Prior Year	N/A	0.2%	0.0%	0.0%	0.0%	14.6%	11.2%	0.0%	10.4%	1.5%
Market Occupancy	79%	79%	79%	79%	79%	79%	78%	78%	74%	75%
Source: PKF Consulting USA										

PROJECTED MARKET PERFORMANCE OF THE SUBJECT HOTELS

Penetration Analysis

Our estimates of occupancy are based on our survey of competitive hotels, an analysis of the segmentation of demand in the market area, and our assessment of the subject properties' market position. The "penetration rate" of a hotel is the percentage of room nights captured relative to the property's "fair share." The hotel's "fair share" is determined by dividing the subject property's number of guest rooms by the total number of guest rooms in the competitive market (including the subject property). Factors indicating a hotel would possess competitive advantages suggest a market penetration in excess of 100 percent of fair market share, while competitive weaknesses are reflected in penetration rates of less than 100 percent. However, other factors besides competitive weaknesses could result in penetrations of less than 100 percent. The actual penetration of each market segment by the subject property may deviate from fair market share for the following reasons:

- The competitive advantages or disadvantages of the subject hotel versus the competition taking into consideration such factors as location, room rate structure, room size, quality and extent of amenities offered, chain affiliation, quality of management, marketing efforts and image;
- The characteristics, composition and needs of each market segment;
- The restraint on demand captured due to capacity constraints during certain periods of the week or season, or due to the accommodation of certain market segments; and,
- Management decisions concerning target markets.

Estimated occupancy levels for the subject hotels have been projected on the basis of a penetration analysis. Our estimate of the subject hotels' performance utilizes a July 1, 2019 opening date for the full-service hotel and a January 1, 2022 opening date for the extended-stay hotel.

Penetration of the Subjects

Our estimates of the subject hotels' penetration by each segment of demand are presented in the paragraphs below.

275-Room Full-Service Hotel

Corporate Demand

Corporate travelers in this market select hotel accommodations based on room and overall hotel amenities, location relative to their destination, and area amenities. Due to the subject's convenient location on Gale Avenue and off State Route 60, as well as its proximity to desirable area amenities, we anticipate the subject to obtain a 95 percent penetration of the commercial segment upon opening in 2019. We project the subject's

penetration of this segment to increase to 100 percent in 2020, 105 percent in 2021, and 114 percent in 2022. We project the subject's penetration of this market segment to decrease to 113 percent in 2023 and stabilize at this level of penetration for the remainder of the projection period. The subject will feature amenities and facilities that will be pleasing to commercial travelers and is anticipated to be a very attractive lodging option for travelers conducting business in the San Gabriel Valley and the greater Los Angeles County area. Further, its location proximate to major businesses in the City of Industry and Diamond Bar as well as the lack of quality hotel product in neighboring communities, will enable the subject to attract demand from those markets.

Leisure Demand

Leisure travelers are concerned with the hotel's proximity to area leisure attractions. Room size is also an important consideration for the leisure traveler as it balances with the hotel's amenities and orientation. We anticipate that the subject will penetrate the leisure market at its fair share of the competitive market as stabilized due to its convenient location within the eastern San Gabriel Valley that will attract leisure travelers visiting demand generators to the west in Los Angeles County and to the south in Orange County. Not only will the hotel capture the demand generated by the Asian travelers, both overseas and out-of-state visitors, we also anticipate that the subject will continue to capture the demand from travelers who are looking for more affordable lodging options, compared to the hotels in other parts of Los Angeles County, such as Downtown Los Angeles. We have estimated a leisure penetration of 85 percent in 2019 and 90 percent in 2020. The subject's penetration of the leisure segment is estimated to increase to 98 percent and further increase to 103 percent in 2022. As the extended-stay hotel comes online and begins to stabilize, the full-service hotel's penetration of the leisure segment is estimated to decrease to 100 percent in 2023 and stabilize at this level for the remainder of the projection period.

Group Demand

Group demand consists of travelers who book blocks of rooms exceeding ten rooms per night. The purpose of the group traveler's visit is to meet with other members of a corporate, leisure, or association group to further the group's goals. These travelers often require meeting space at the hotels in which they are staying. The subject property is anticipated to include adequate meeting and event space to attract group business. Based on the subject's facilities and location, we have estimated that the subject will underpenetrate the group segment, although obtaining enough demand from this segment to remain competitive. We have estimated that the subject will penetrate the group market at 75 percent in 2019. In 2020, the subject's penetration of the group segment is estimated to increase to 80 percent and stabilize at this level for the remainder of the projection period.

Overall Mix, Penetration, and Occupancy

The estimated stabilized market mix and penetration for the proposed 275-room full-service hotel are presented in the following table.

Proposed Full-Service Hotel			
Stabilized Mix of Demand and Market Penetration			
Market Segment	Room Nights	Ratio	Penetration
Commercial	16,600	49%	95%
Leisure	7,400	22	85
Group	10,200	30	75
Total	34,200	100%	86%

Source: PKF Consulting USA

Combining our estimates of the three penetration rates for the proposed hotel, we estimate that the subject property will achieve below its fair share of market demand upon its opening in 2019, with the penetration rate estimated at 86 percent. This equates to an occupancy level of 68 percent during its first year of operation. By the second year of operation, the subject's penetration rate is expected to increase to 91 percent of its fair share, equal to an occupancy of 71 percent in 2019. The following year, the subject is projected to achieve 95 percent penetration, commensurate with an occupancy of 74 percent. The subject is anticipated to reach its stabilized level of occupancy of 74 percent by its third year of operation; however, as the market moves towards stabilization, the subject's penetration is estimated to trend up to 100 percent in 2022 and down to 99 percent by 2023, when the market has absorbed all the additions to supply. The full-service hotel is expected to remain at this level of occupancy of 74 percent for the remainder of the projection period.

The table on the following page sets forth projected penetration for the subject from 2018 through 2023.

Proposed Full-Service Hotel Market Penetration and Projected Occupancy					
	2019	2020	2021	2022	2023
TOTAL ROOMS AVAILABLE					
Proposed Full-Service Hotel	50,370	100,375	100,375	100,375	100,375
Competitive Market	396,025	446,030	446,030	519,760	519,760
	=====	=====	=====	=====	=====
Fair Share of Supply	12.7%	22.5%	22.5%	19.3%	19.3%
	=====	=====	=====	=====	=====
ESTIMATED TOTAL MARKET DEMAND					
Commercial	137,500	151,100	151,100	168,300	170,800
Leisure	68,200	75,500	75,500	85,100	86,400
Group	107,100	121,200	121,300	130,600	132,600
	-----	-----	-----	-----	-----
TOTAL	312,800	347,800	347,900	384,000	389,800
	-----	-----	-----	-----	-----
FAIR SHARE OF DEMAND					
Commercial	17,500	34,000	34,000	32,500	33,000
Leisure	8,700	17,000	17,000	16,400	16,700
Group	13,600	27,300	27,300	25,200	25,600
	-----	-----	-----	-----	-----
TOTAL	39,800	78,300	78,300	74,100	75,300
	-----	-----	-----	-----	-----
SUBJECT PENETRATION					
Commercial	95%	100%	105%	114%	113%
Leisure	85%	90%	98%	103%	100%
Group	75%	80%	80%	80%	80%
	-----	-----	-----	-----	-----
ROOM NIGHTS CAPTURED					
Commercial	16,600	34,000	35,700	37,100	37,300
Leisure	7,400	15,300	16,700	16,900	16,700
Group	10,200	21,800	21,800	20,200	20,500
	-----	-----	-----	-----	-----
TOTAL CAPTURED DEMAND	34,200	71,100	74,200	74,200	74,500
	=====	=====	=====	=====	=====
MARKET SHARE CAPTURED	10.9%	20.4%	21.3%	19.3%	19.1%
OVERALL MARKET PENETRATION	86%	91%	95%	100%	99%
	-----	-----	-----	-----	-----
SUBJECT OCCUPANCY	68%	71%	74%	74%	74%
	-----	-----	-----	-----	-----
MARKET MIX					
Commercial	49%	48%	48%	50%	50%
Leisure	22%	22%	23%	23%	22%
Group	30%	31%	29%	27%	28%
	-----	-----	-----	-----	-----
TOTAL	100%	100%	100%	100%	100%
	=====	=====	=====	=====	=====
Source: PKF Consulting USA					

202-Room Extended-Stay Hotel

Corporate Demand

As previously mentioned, corporate travelers in this market select hotel accommodations based on room and overall hotel amenities, location relative to their destination, and area amenities. We anticipate the subject to obtain a 105 percent penetration of the corporate segment upon opening in 2022. The subject's penetration of this segment is anticipated to increase to 113 percent in 2023, 118 percent in 2024, and 120 in 2025, stabilizing at this level for the remainder of the projection period. We have estimated a higher penetration level of this segment for this property due to its orientation as an extended-stay property, which is very popular amongst longer-stay business travelers. As with the full-service property, the subject will feature amenities and facilities that will be pleasing to the corporate traveler and is anticipated to be a very attracting lodging option for the value conscious traveler conducting business in the San Gabriel Valley. Further, its location proximate to businesses in the City of Industry and Diamond Bar, as well as other businesses in the San Gabriel Valley will enable the subject to attract demand from those markets.

Leisure Demand

We anticipate that the subject will penetrate the leisure market above its fair share of the competitive market due to larger room product, which tends to attract traveling families, as well as its convenient location within the San Gabriel Valley equidistant from leisure demand generators in both Los Angeles and Orange Counties. Based on our research, a large portion of the leisure travelers to the area stay for a minimum of four nights because they are traveling from overseas. Therefore, the amenities provided by an extended-stay property will be attractive to this type of traveler. We have estimated a leisure penetration of 105 percent in 2022 and 110 percent in 2023. Penetration of this segment is estimated to increase to 120 percent in 2024, before increasing to 125 percent in 2025 and stabilizing at this level each year thereafter.

Group Demand

Although the subject property will be directly north of the full-service hotel, which will include meeting space, we anticipate that extended-stay hotel will not provide meeting facilities sufficient to attract a large amount of group business. Based on this, we anticipate that the subject will underpenetrate the group segment. We have estimated that the subject will penetrate the group market at 65 percent in 2022. We estimate that the penetration rate will increase to 70 percent in 2023 and 75 percent in 2024. The subject's penetration of this segment is estimated to decrease to 70 percent in 2025 and remain at this level for the remainder of the projection period. Although below its fair share, this still allows the subject to capture a reasonable portion of the market's group room nights given its proposed facilities.

Overall Mix, Penetration, and Occupancy

The estimated stabilized market mix and penetration for the proposed 202-room extended-stay hotel are presented in the following table.

Proposed Extended-Stay Hotel			
Stabilized Mix of Demand and Market Penetration			
Market Segment	Room Nights	Ratio	Penetration
Commercial	29,000	50%	120%
Leisure	15,300	27	125
Group	13,200	23	70
Total	57,500	100%	104%

Source: PKF Consulting USA

Combining our estimates of the three penetration rates for the proposed hotel, we estimate that the subject property will achieve below its fair share of market demand upon its opening in 2022, with the penetration rate estimated at 91 percent. This equates to an occupancy level of 68 percent during its first year of operation. By the second year of operation, the subject's penetration rate is expected to increase to 98 percent of its fair share, equal to an occupancy of 73 percent in 2023. The following year the subject is projected to achieve 104 percent penetration as the subject reaches its stabilized level of occupancy of 78 percent.

The following table sets forth projected penetration for the subject from 2022 through 2026.

Proposed Extended-Stay Hotel Market Penetration and Projected Occupancy					
	2022	2023	2024	2025	2026
TOTAL ROOMS AVAILABLE					
Proposed Extended-Stay Hotel	73,730	73,730	73,730	73,730	73,730
Competitive Market	519,760	519,760	519,760	519,760	519,760
	=====	=====	=====	=====	=====
Fair Share of Supply	14.2%	14.2%	14.2%	14.2%	14.2%
	=====	=====	=====	=====	=====
ESTIMATED TOTAL MARKET DEMAND					
Commercial	168,300	170,800	170,800	170,800	170,800
Leisure	85,100	86,400	86,400	86,400	86,400
Group	130,600	132,600	132,600	132,600	132,600
	-----	-----	-----	-----	-----
TOTAL	384,000	389,800	389,800	389,800	389,800
	-----	-----	-----	-----	-----
FAIR SHARE OF DEMAND					
Commercial	23,900	24,200	24,200	24,200	24,200
Leisure	12,100	12,300	12,300	12,300	12,300
Group	18,500	18,800	18,800	18,800	18,800
	-----	-----	-----	-----	-----
TOTAL	54,500	55,300	55,300	55,300	55,300
	-----	-----	-----	-----	-----
SUBJECT PENETRATION					
Commercial	105%	113%	118%	120%	120%
Leisure	105%	110%	120%	125%	125%
Group	65%	70%	75%	70%	70%
	-----	-----	-----	-----	-----
ROOM NIGHTS CAPTURED					
Commercial	25,100	27,400	28,600	29,000	29,000
Leisure	12,700	13,500	14,700	15,300	15,300
Group	12,000	13,200	14,100	13,200	13,200
	-----	-----	-----	-----	-----
TOTAL CAPTURED DEMAND	49,800	54,100	57,400	57,500	57,500
	=====	=====	=====	=====	=====
MARKET SHARE CAPTURED	13.0%	13.9%	14.7%	14.8%	14.8%
OVERALL MARKET PENETRATION	91%	98%	104%	104%	104%
	-----	-----	-----	-----	-----
SUBJECT OCCUPANCY	68%	73%	78%	78%	78%
	-----	-----	-----	-----	-----
MARKET MIX					
Commercial	50%	51%	50%	50%	50%
Leisure	26%	25%	26%	27%	27%
Group	24%	24%	25%	23%	23%
	-----	-----	-----	-----	-----
TOTAL	100%	100%	100%	100%	100%
	=====	=====	=====	=====	=====
Source: PKF Consulting USA					

Although it is possible that the subject hotels will experience growth in occupancy above those estimated in this report, it is also possible that sudden economic downturns, unexpected additions to the room supply, or other external factors will force the properties below the selected point of stability. Consequently, the estimated occupancy levels are representative of the most likely potential operations of the subject hotels over the projected holding period based on our analysis of the market as of the date of this report.

***Addendum
Terms and Conditions***

TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an agreement for consulting services (the "Agreement") between CBRE, Inc. (the "Consultant") and the client signing this Agreement, and for whom the consulting services will be performed (the "Client"), and shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state where the Consultant's office is located for the Consultant executing this Agreement.
2. Client shall be responsible for the payment of all fees stipulated in the Agreement. Payment of the engagement fee and preparation of a report (the "Report") are not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the Consulting Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft report is requested, the fee is considered earned upon delivery of the draft report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed report. In such event, the Client is obligated only for the prorated share of the fee based upon the work completed and expenses incurred (including travel expenses to and from the job site), with a minimum charge of \$500. Additional copies of the Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per report.
3. If Consultant is subpoenaed to give testimony or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Report, the Consultant's expertise, or the Property, Client shall pay Consultant's additional costs and expenses based on Consultant's then-prevailing hourly rates and related fees. Such charges include and pertain to time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and preparation time (excluding preparation of the Report), meeting participation, and Consultant's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional consulting services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
4. Consultant shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the Consultant executing the Agreement. In the event either party institutes legal action against the other to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses. Each party waives the right to a trial by jury in any action arising under this Agreement.
6. Consultant assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for Consultant to prepare a valid report. Client acknowledges that such additional expertise is not covered in the engagement fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. In the event of any dispute between Client and Consultant relating to this Agreement, or Consultant's or Client's performance hereunder, Consultant and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by an arbitrator may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of the Consultant executing this Agreement is located. The arbitrator shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses from the losing party, including costs of the arbitration proceeding, and reasonable attorney's fees. Client acknowledges that Consultant is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Client and

TERMS AND CONDITIONS
(continued)

Consultant. This engagement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Report discussed herein.

8. All statements of fact in the report which are used as the basis of the Consultant's analyses, opinions, and conclusions will be true and correct to the best of the Consultant's knowledge and belief. Consultant does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to Consultant by Client or others.
9. Consultant shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.
10. Client shall provide Consultant with such materials with respect to the assignment as are requested by Consultant and in the possession or under the control of Client. Client shall provide Consultant with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
11. The data gathered in the course of the assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Consultant. With respect to data provided by Client, Consultant shall not violate the confidential nature of the Consultant-Client relationship by improperly disclosing any proprietary information furnished to Consultant. Notwithstanding the foregoing, Consultant is authorized by Client to disclose all or any portion of the report and related data as may be required by statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Consultant to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
12. Unless specifically noted, in preparing the Report the Consultant will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material) on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the engagement fee.
13. In the event Client intends to use the Report in connection with a tax matter, Client acknowledges that Consultant provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Report. Client agrees that Consultant shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from Consultant relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
14. Consultant shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Client arising out of, based upon or resulting from Client's failure to provide accurate or complete information or documentation pertaining to an assignment ordered under or in connection with this Agreement, including Client's failure, or the failure of any of Client's agents, to provide a complete copy of the Report to any third party.
15. **LIMITATION OF LIABILITY.** EXCEPT TO THE EXTENT ARISING FROM SECTION 16 BELOW, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF THEIR OFFICERS, DIRECTORS, EMPLOYEES OR CONTRACTORS BE LIABLE TO THE OTHER, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, FOR (I) ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES AND (II) AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT (EXCLUDING THE OBLIGATION TO PAY THE FEES REQUIRED HEREUNDER) IN EXCESS OF THE GREATER OF THE AMOUNT OF THE TOTAL FEES PAID TO CONSULTANT UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS (\$10,000). THIS LIABILITY LIMITATION SHALL NOT APPLY IN THE EVENT OF

TERMS AND CONDITIONS
(continued)

A FINAL FINDING BY AN ARBITRATOR OR A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT.

16. Client shall not disseminate, distribute, make available or otherwise provide any Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Report, in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party approved in writing by Consultant and identified herein as an "Intended User" of the Report, (ii) any third party service provider (including rating agencies and Client's auditors) using the Report in the course of providing services for the sole benefit of Client, or (iii) as required by statute, government regulation, legal process, or judicial decree. In the event Consultant consents, in writing, to Client incorporating or referencing the Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Consultant with complete copies of such materials and Consultant has approved all such materials in writing. Client shall not modify any such materials once approved by Consultant. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, in no event shall the receipt of a Report by such party extend any right to the party to use and rely on such report, and Consultant shall have no liability for such unauthorized use and reliance on any Report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Consultant, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Consultant and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed, sustained or incurred by any party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Report.
17. In the event Client incorporates or references the Report, in whole or in part, in any offering or other material intended for review by other parties, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the engagement of or performance of services by any Indemnified Party hereunder, (ii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iii) an actual or alleged violation of applicable law by Client (including, without limitation, securities laws) or the negligent or intentional acts or omissions of Client (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising there from, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of Consultant (which consent will not be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.

E.2 HOTEL COMMENTARY, PREPARED BY CBRE HOTELS

Bruce Baltin
Managing Director

CBRE, Inc.
Valuation & Advisory Services
400 South Hope Street, 25th Floor
Los Angeles, CA 90071

+1 213 613 3370 Office

Bruce.Baltin@cbre.com
www.cbrehotels.com

March 7, 2016

Mr. Steven D. Jones
Regional Planner
LA County Department of Regional Planning
320 West Temple Street, 13th Floor of County Hall of Records
Land Divisions Section
Los Angeles, California 90025

Dear Mr. Jones:

Our firm is providing hotel advisory services in conjunction with the proposed Rowland Heights Plaza & Hotels project (County Project No. R2014-01529) on Gale Avenue in the unincorporated community of Rowland Heights. As you review the project application, we have drafted this brief letter relative to the current lodging demand and supply dynamics in the community of Rowland Heights ("Community") and surrounding areas. Included in this letter is an overview of the proposed hotels' competitive set and its historical market performance, as well as a description of the typified demand sources for the proposed hotels to be located at the subject site. Furthermore, we have responded to some community members' stated concerns regarding the subject properties' potential use as maternity hotels.

We note that this letter report uses information from and should be read in conjunction with a market study for the proposed hotels that was completed in August 2015, in which it was concluded that the demand in the market was strong enough to support a high quality, 275-room full-service hotel, and a high quality, 202-room extended-stay hotel at the subject site, both of which would be affiliated with internationally recognized chain flags. Our analysis is presented below.

TYPIFIED DEMAND IN ROWLAND HEIGHTS

In our analysis, we reviewed historical economic, demographic, and tourism indicators for the overall market area, and assessed the strength of the Rowland Heights and surrounding east San Gabriel Valley lodging market. Based on our general knowledge of the market and interviews with hotel managers, area representatives, and major employers in the area, we were able to ascertain the various potential sources of demand for the proposed hotels.

An analysis of the local area’s hotel market is a key component of the analysis of the subject. The following chart presents the competitive set for the proposed hotels in Rowland Heights.

Competitive Supply		
Map Code	Property	Number of Rooms
Subject 1	Proposed Full-Service Hotel	275
Subject 2	Proposed Extended-Stay Hotel	202
1	Best Western Plus Executive Inn	135
2	Courtyard Hacienda Heights	150
3	Holiday Inn Diamond Bar	176
4	Pacific Palms Resort	292
5	Ayres Suites Diamond Bar	102
6	Quality Inn & Suites Walnut	92
Total Competitive Supply (not including subjects)		947

Source: PKF Consulting

The aggregate average annual available and occupied rooms, resulting occupancy levels, average daily rate, and revenue per available room (RevPAR) for this sample set between 2010 and 2014, as well as year-to-date performance through April 2014 and 2015, are presented in the following table.

Historical Market Performance of the Competitive Supply									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2010	345,290	N/A	203,023	N/A	58.8%	\$95.46	N/A	\$56.13	N/A
2011	345,290	0.0%	229,569	13.1%	66.5	97.08	1.7%	64.55	15.0%
2012	345,655	0.1	249,725	8.8	72.2	102.33	5.4	73.93	14.5
2013	342,735	-0.8	260,645	4.4	76.0	104.95	2.6	79.81	8.0
2014	343,830	0.3	272,557	4.6	79.3	111.65	6.4	88.50	10.9
CAAG	-0.1%		7.6%			4.0%		12.1%	
YTD 4/14	114,610	N/A	85,709	N/A	74.8%	\$112.00	N/A	\$83.75	N/A
YTD 4/15	115,340	0.6%	86,634	1.1%	75.1%	118.80	6.1%	89.23	6.5%

Source: PKF Consulting USA

As can be seen from the table above, demand for rooms, as demonstrated by occupied room nights, grew at a compound average annual growth (CAAG) rate of 7.6 percent. As can be seen from the table above, the competitive set has exhibited four consecutive years of growth in occupied room nights from 2010 to 2014. The market posted a period low occupancy rate of 58.8 percent in 2010, which increased to 79.3 percent by year-end 2014. Average daily rate (ADR) in the competitive set also grew year-over-year during the historical period.

As a rule of thumb, potential hotel developers and investors in Southern California typically look for hotel markets exhibiting growth trends in average daily rate at least above inflationary levels, as well as consistent market occupancy levels to be in the 70 percent range to seriously consider the development of a new lodging facility. The market occupancy of 79.3 percent in year-end 2014 illustrates that demand for hotel room nights is very strong

and that there is a high degree of unsatisfied demand in the market, largely due to the lack of hotel rooms in the Rowland Heights community and surrounding areas.

The two subject hotels would be completing primarily within the local market area for: 1) corporate and commercial demand generated from businesses located in the San Gabriel Valley area; 2) leisure demand generated by pleasure travelers visiting family, friends, and nearby attractions within Southern California; and, 3) group demand arising from international tour groups, social events, business meetings, and SMERF (social, military, educational, religious, and fraternal) groups.

Commercial Demand

The City of Los Angeles has historically had strong ties to the Chinese economy, and in recent years, the region has become a destination for foreign investment. Specifically, San Gabriel Valley, spanning from Monterey Park in the west to Diamond Bar in the east has enjoyed a significant amount of this foreign investment, given the ethnic makeup of the Chinese communities located throughout the valley. Additionally, many high profile Chinese companies have established satellite offices or headquarters in Los Angeles County with their business operations closely tied to the firm's Los Angeles County office. Additionally, Rowland Heights is located to the east of City of Industry, which is considered one of the industrial hubs in Los Angeles County. With 92 percent of its land allocated to industrial usage, the City of Industry is home to many manufacturing and retail companies, such as Closet World, Teledyne, Viewsonic, Costco, Sysco Food Service, Freshpoint, etc. These various commercial entities generate a significant amount of business travel for existing hotels in the local market area.

Both mid-size businesses and corporate headquarters attract all level of visitors, from corporate executives to sales people. The area businesses also attract people for sales, training, meetings, workshops, and planning which leads to both individual corporate and group business. The subject properties are located on Gale Avenue, an east-west corridor that is host to many commercial and retail developments and is also proximate to many of the industrial and commercial businesses in the surrounding cities of Industry and Diamond Bar.

Commercial travelers typically seek lodging accommodations proximate to where they are doing business. Our interviews with local employers have revealed that there is a lack of high quality lodging supply in the area. As such, positioned as high quality hotels and affiliated with internationally recognized chain flags, the two proposed hotels are well suited to cater to the typical commercial traveler to the area.

LEISURE DEMAND

Rowland Heights is widely regarded as a premier, suburban Chinese American community. With a healthy influx of leisure travelers from the Asian countries, along with other tourist destinations in the area, there is ample amount of leisure demand for the hotels in San

Gabriel Valley. Many of the leisure travelers are individual tourists and families visiting friends and family, the attractions of Los Angeles County and are passing through en route to other destinations, such as north to San Francisco, east to Las Vegas and Grand Canyon, or south to San Diego. In addition, the San Gabriel Valley is located within 25 miles from other popular tourist destinations in Southern California, such as Disneyland, Universal Studios, Hollywood, and well-known beaches along the Pacific Coast.

Group Demand

Group demand in the eastern San Gabriel Valley relies primarily on “package tour” groups from international travelers, local SMERF, as well as commercial groups during the week. Much of the group business consists of sports leagues from nearby universities and schools, as well as events at the Pomona Fairplex, social groups, and weddings. There is stronger corporate group demand for properties proximate to the City of Industry.

There is ample demand in the local market that is currently unsatisfied by the existing hotels, due to seasonality or lack of quality lodging supply. The proposed high quality, branded full-service hotel and extended-stay hotel is well suited for its location and target clientele. The properties will be well suited to successfully integrate into the immediate area and cater to the various segments of demand, complementing the existing supply of hotels in the area and increasing the attractiveness of Rowland Heights as a whole by offering yet another set of accommodations not yet represented in the local lodging supply. Further, the type, size, and positioning of the proposed upscale full-service and extended-stay developments accurately reflect the preferences of many business, leisure, and group travelers to the region and should allow the proposed hotels to capture an appropriate mix of business.

MATERNITY TOURISM

We are of the understanding that the Community has experienced an influx of visitors due to the emergence of “maternity hotels” in Rowland Heights. “Maternity hotels” are typically single family residential homes or apartment buildings located in the neighborhoods of Rowland Heights that are repurposed to specifically cater to foreign pregnant women who are residing in “maternity boarding homes,” or postpartum recovery homes, to give birth to their children in the United States for American citizenship. Maternity hotels are often organized by independent operators who make lodging, transportation, and birthing arrangements for expecting couples from abroad. Operators will rent apartment units or single family residential homes, providing the pregnant women with lodging, shuttle service to close by retail amenities, in-house maid service, as well as caretakers. The expecting woman typically enters into the maternity hotel a few months prior to the expected due date and can stay following the delivery of the child for the recovery process.

The local residents and the members of the Rowland Heights Community Coordinating Council (RHCCC) have expressed their concerns regarding the proposed hotel developments being marketed to and servicing the specific population of women seeking accommodations

in the area. It is not the developer's intention to operate maternity hotels on the subject site, but to develop two high-quality, branded hotels catering to the transient commercial, leisure, and group visitors to Rowland Heights. As branded hotels, the two properties will be subject to franchise agreements which contain provisions that preclude the third party operator from engaging in any other type of business other than the operations of the hotels. Operating a maternity hotel at the subject properties would be in direct violation of the franchise agreement. Additionally, the typical upscale, branded hotel is not equipped to provide the services and amenities provided by maternity hotels. While a hotel may provide lodging accommodations and services such as in-room dining and cleaning services, other important amenities typically provided in maternity hotels, such as shuttle and caretaker services are not standard at hotels such as those proposed on the subject site.

To stay at a hotel would be very costly and is well above what the typical foreign, expecting woman or couple would pay at existing maternity hotels. Instead of the all-inclusive price which covers as much as lodging, airport pickup, shuttle services, laundry facilities, birthing and doctor appointments, etc., the expecting couple would have to pay nightly, market rates at the hotel. Taking into account mid-week to weekend, as well as peak and non-peak travel patterns, the cost for just lodging, including local and state taxes, for the average length of stay could easily escalate to above what the current all-inclusive cost for a maternity hotel experience is. The expense for amenities and services, such as in-room dining and laundry services would be additive to the lodging costs, rendering the hotel to be a cost prohibitive option to rate sensitive couples.

Given the unlawfulness of maternity tourism, a hotel simply is not conducive to the successful operations of a maternity hotel, due to the public nature of a hotel. With facilities such as a three-meal food and beverage outlet, lobby lounge, and expansive meeting and event spaces, hotels are often regarded as communal gathering spaces for not only visitors to the hotel, but also local residents of the community. The illegality of maternity tourism would require the independent organizers, as well as the expecting couples, to exercise a high level of discretion, which would be difficult to achieve in a hotel due to the lack of privacy. A hotel management firm, present on the properties at all hours of the day, will be able to discern between the typical transient hotel guest and the maternity hotel guest whose intention is to stay for longer periods of time.

We recognize that there is no screening process that can prevent a foreign, expecting mother or couple to book hotel rooms at the subject properties. Furthermore, the hotels should not be put in a position in which they may face legal ramifications for discriminatory practices against pregnant women. We recommend preventative measures be taken to mitigate the possibility of maternity tourism guests utilizing the subject hotels. First, the subject hotels can implement a maximum length of stay at the property. As previously noted, an expecting couple will commence their stay during the last trimester of the pregnancy and extend the stay to cover the post-delivery recovery period, so the hotel should implement a 30-day maximum

length of stay to deter couples who need accommodations in excess of one month. Second, the hotel should be developed with a Conditional Use Permit (CUP) prohibiting the operations of a maternity hotel on the subject site. Although it is not the developer's intention to operate a maternity hotel, in the event that the hotel is ever sold to a third party, the CUP protects against potential usage of the hotels for maternity tourism in the future.

We are available to answer any questions you may have regarding the analysis presented above.

Sincerely,

CBRE Hotels

A handwritten signature in blue ink, appearing to read "Bruce Baltin".

Bruce Baltin
Managing Director

**APPENDIX F: CORRESPONDENCE FROM THE ROWLAND HEIGHTS
COMMUNITY COORDINATING COUNCIL,
SEPTEMBER 29, 2015**



ROWLAND HEIGHTS COMMUNITY COORDINATING COUNCIL

"IMPROVING OUR COMMUNITY"

P.O. Box 8171
Rowland Heights
California 91748

Email:
rhccc4RH@gmail.com

WWW.ROWLAND-HEIGHTS.ORG

September 29, 2015

President
Ted Ebenkamp

**First Vice President
Programs**
Deborah Enos

**Second Vice President
Membership**
Roland Sanchez

**Third Vice President
Community
Improvement**
Henry Woo

Recording Secretary
DeAnn Joyce

**Corresponding
Secretary**
David Koo

Treasurer
Carla Sanchez

Historian
Charles Liu

Past President
Kingdon Chew

Steven Jones, Principal Planner
County of Los Angeles Department of Regional Planning
320 West Temple Street
Los Angeles, CA 90012
Email: sjones@planning.co.la.ca.us

RE: Proposed Hotel and Shopping Center Development: County Project No. PM072916, 18800 Gale Avenue, Rowland Heights

This letter is to confirm Stafford Lawson, a principal of Parallax Investment Corporation ("Parallax", the developer of the above-noted proposed development project), reached out to the Rowland Heights Community Coordinating Council ("RHCCC") in early 2014 seeking to present the above project to the RHCC and the Rowland Heights community.

Parallax's development team made the presentation on Monday, March 10, 2014 in the community center at Pathfinder Park. Mr. Lawson, together with his architect and land use counsel, gave a detailed presentation regarding the proposed project. He explained Parallax felt it important to present the proposed project early in the entitlement process in order to obtain feedback and incorporate any requested changes before filing a formal application with the County. Following the presentation he opened up the floor to questions and comments from the community. There were mixed feelings expressed about the project by community members, including traffic generation, hotel demand, retail tenant mix, boring design and a lack of space that would act as a public amenity, amongst others. Mr. Lawson and his team answered all questions as best as they could with the information available at the time.

Shortly thereafter Mr. Lawson contacted me again to ask if I would set up a second meeting in about a month with those individuals who had suggested changes at the March 10th meeting so his group could present the changes they had made in response to their comments.

Proposed Hotel and Shopping Center Development: County Project No. PM072916


The follow up meeting was held April 8, 2014 in the community building at Caroline Rosas Park. The following community members, all of whom were present and had made comments or requested changes at the original March 10, 2014 presentation: Henry Woo, Dave and Teri Malkin, Lynne Ebenkamp, John Bellah, Carla Sanchez, and John Hsu (a Rowland Heights resident who manages commercial properties throughout Southern California). Parallax went through the changes they had made to the proposed project in response to input they had received. They also brought in an expert in hotel feasibility analysis, Bruce Baltin of PKF Consulting, to educate the group about the supply/demand conditions for hotel development in Rowland Heights.

The changes Parallax made to the proposed plans were generally well received, and the group was appreciative of Parallax's willingness to incorporate many of the revisions suggested by the community. These changes included, but were not limited to: Creating a large outdoor area in the center of the main parking field to be used for community gathering and activation. Creating a second public amenity area at the southern end of the parking lot with a nod to the heritage character of the site. They also significantly changed the design of the proposed project by adding more second floor space, enhanced hard and soft landscape elements, outdoor terraces, widened sidewalks, and significantly more variation in the façade treatment of the building frontages.

Mr. Lawson called me on May 28, 2015, to provide an update and advanced notice there would be an upcoming scoping meeting for the project EIR. Stafford also confirmed all of the elements added to the project as a result of the community consultation remained intact.

Regards,

Ted Ebenkamp, President
Rowland Heights Community Coordinating Council
909 594-0429



COUNTY OF LOS ANGELES
DEPARTMENT OF REGIONAL PLANNING
LAND DIVISIONS SECTION
320 West Temple Street
Los Angeles, California 90012