

**Taylor Yard Community Leaders Meeting  
Rio de Los Angeles State Park Community Room  
Tuesday, January 31, 2012, 7:00 pm**

**I. Welcome**

- Melanie Winter, The River Project
- Damon Nagami, Natural Resources Defense Council

Damon gave a general overview of the reason for the meeting, and Melanie provided a history of the site, including the community involvement that resulted in Rio de Los Angeles State Park and the Sonia Sotomayor Learning Academies. A current status of all parcels was provided and parcel maps were distributed for reference.

**II. Introduction/ Presentation**

- Brad Cox,  
Senior Managing Director for Los Angeles, Trammell Crow Company

Trammell Crow is a Dallas based developer, in business for 65 years, and one of the largest developers in the US. Trammell Crow was privately held until the late 1990s, and in 2006 became a subsidiary of CBRE Group, Inc. CBRE has met its own carbon neutrality goals as of 2010, per company wide policy set in 2007.

Trammell Crow is a community -based developer, enjoying a good reputation with CA business community and public officials. Trammell Crow tries to work with communities to build consensus, and considers themselves good corporate citizens.

Trammell Crow has a long standing relationship with Union Pacific, and the railroad approached them regarding potential sale and development of parcel G2. Trammell Crow did not understand the history of planning and advocacy at this site, but they do now believe the site can be developed benefitting their company as well as the community.

Mr. Cox made clear that he believes in Union Pacific's right as property owner to develop G2. He believes that established law supports that right, and that development consistent with established regulations and guidelines will benefit the property owner and the community.

Mr. Cox stated that Union Pacific's position is that G2 is zoned for industrial development, and should be valued at highest and best use. Mr. Cox stated that meeting industrial development remediation standards would benefit the community through economic growth, other option being fallow land.

Mr. Cox reviewed recent successes Trammell Crow has had in greater Los Angeles with remediating and developing contaminated sites. Trammell Crow sees G2 as consistent with these previous successes.

Mr. Cox stated that he understands the community passion around this parcel, but believes that previous efforts by the community to acquire the land have failed. In addition, environmental challenges on G2 are substantial, and Trammell Crow has the resources to manage clean up.

Mr. Cox expressed that if one removed the “emotion” surrounding the LA River plan and looked at this site objectively, it would be developed to an industrial standard without issue from the community, as other Los Angeles brownfields are.

Mr. Cox explained the feasibility study Trammell Crow completed for the DTSC, and acknowledged that after comments from stakeholders, the DTSC has expressed concerns that the feasibility study was not completed satisfactorily.

Mr. Cox asked the attendees to understand and keep in mind what it will cost to develop G2 to a residential standard (an option Trammell Crow is investigating). Trammell Crow has looked at restoration as called for in the Master Plan and does not believe that it will be possible to achieve.

Trammell Crow is exploring: other publicly owned properties which could be swapped for a fully entitled parcel G2, availability of regional public mitigation funding, possibility of community achieving the Master Plan’s vision.

Mr. Cox expressed his goal of listening to attendees and exploring options. Mr. Cox stated that while Trammell Crow has no interest in entering litigation against the community, should they walk away Union Pacific has the right to pursue another buyer, who may not be averse to litigation.

Mr. Cox closed his introduction offering to make himself available for one-on-one conversations.

### **III. Q&A/ Discussion**

Damon asked that everyone introduce themselves before directing questions to Mr. Cox. Wide ranging discussion continued until 9:00 pm. Key questions and responses summarized below.

Questions raised on Trammell Crow (TC) investment:

Q: TC appears to have support of Union Pacific, public officials. TC has invested time and work in this option. Will TC walk away with enough community pressure?

A: UP supports TC because they are good at building community consensus, and characterizing cost of clean up.

A: If there isn't a good way for public to obtain this property, TC will want it, but won't litigate.

A: TC does not place value on the option.

A: Goal is to build political will among all groups- residents, businesses, political organizations,

Questions raised on value to TC:

Q: How will TC deliver profit to shareholders with this site?

A: Alternatives include:

1. Industrial buildings, no one wants.
2. Opportunity to do mix of residential (private) and parkland (public). Builds value on the property. Consistent with the development goals. References San Antonio as an example of development adding great value to property and community.

Questions raised on purchase option's impact on the Master Plan and cost to public:

Q: Will TC involvement inflate the value of G2? Example: F2, now home to new high school (Sonia Sotomayor Learning Academies). Community advocated for the school, but a buyer inflated the price. Additional cost to public over \$100m. Won't this happen with G2 because of TC involvement?

A: Yes, we are here because there is an opportunity to make money.

"We're here to work with you to create win/win and jobs."

"We hear you." TC solution oriented, community will be the judge in the end.

Q: So it's really about price and value, and TC is involved in the pricing process?

A: UP has an interest in valuing this land as an industrial site. TC wants to work with the community to create a "win/win" but has no interest in litigation. Should TC walk away, UP has the right to bring in another developer.

Questions raised on viability of residential development:

Q: TC will build housing next to a highly polluting Metro Link facility?

Q: Real costs high for remediation to residential standards.

Q: TC could decide which level to remediate, and timetable. Could use a 30 year timetable if it were optimal for you. Risk to the community, devil is in the details.

A: TC looking at all options.

Questions raised on why Union Pacific approached TC:

Q: Why did UP approach TC?

A: Good relationship between TC and UP. UP recognized that TC had resources and experience to characterize the site.

Q: Did UP give TC the full history of this site and the community's involvement?

A: "If I knew a year ago what I know today, I wouldn't be sitting here."

Q: Did UP hire TC to complete feasibility study?

A: Feasibility study part of purchase agreement.

Q: What are the benefits to UP?

A: UP has an interest in valuing G2 as an industrial site.

Q: Is UP willing to sell to public, or not?

A: All options being explored. TC is investigating availability of public funds for community to acquire parcel.

Questions raised on potential land swap:

Q: Would TC buy the property and then swap the land?

A: Looking for solutions, alternative properties.

Q: What would the mechanics of such a swap be?

A: Politics of finding the will and the land and working through approvals.

Q: If TC were to buy and then swap, would TC then be obligated to clean parcel?

A: All part of negotiations.

Questions raised on whether TC will exercise option:

Q: What would convince TC to drop option?

A: Looking for solutions, alternative properties.

Q: LA officially supports the Master Plan. Can TC turn stepping away into political will and profit elsewhere?

A: TC tries to work with constituents, city offices, etc, to find opportunities.

Questions raised on TC's role in negotiations with public:

Q: The community has worked for over 10 years characterizing the site and working on the Master Plan. What is TC's vital role? Why does the community need a developer?

A: UP has an interest in valuing the land as an industrial parcel. How UP handles the sale of G2 has implications for future transactions.

Q: For TC to achieve profit, it needs the community, and political support. What are TC's carrying costs? What is all of this worth to the company?

A: TC is optimistic that they can create a win for this community and stakeholders will see them as allies.

Q: Would TC, as a bargaining chip for a swap, clean site to recharge the aquifer.

A: All part of negotiation process.

## **V. Closing**