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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

PASADENANS FOR A LIVABLE CITY,  
an unincorporated association; and  
PASADENA HERITAGE, a California  
non-profit corporation;

Petitioners,

vs.

CITY OF PASADENA and PASADENA  
CITY COUNCIL;

Respondents,

PLAYHOUSE OFFICE, LLC; IDS REAL  
ESTATE GROUP; and DOES 1 to 10;

Real Parties in Interest.

CASE NO. BS124250

Honorable Thomas McKnew, Jr.

**SETTLEMENT AGREEMENT**

This Settlement Agreement is entered into by Petitioners PASADENANS FOR A  
LIVABLE CITY, an unincorporated association, and PASADENA HERITAGE, a  
California non-profit corporation (collectively, Petitioners); Respondents CITY OF  
PASADENA, a governmental entity, and PASADENA CITY COUNCIL (collectively,  
City); and Real Party in Interest PLAYHOUSE OFFICE, LLC, a Delaware limited liability

1 company (Applicant), regarding the Playhouse Plaza Project (Project). The Petitioners, the  
2 City, and the Applicant may be referred to collectively as the Parties.

3  
4 **RECITALS**

5 A. In November 2009, the Pasadena City Council certified an Environmental  
6 Impact Report (EIR) and approved the Project proposed by the Applicant at 680 East  
7 Colorado Boulevard in Pasadena (the Project Site): an approximately 159,971 square foot,  
8 five-story commercial office building and six-level subterranean garage.

9 B. On December 21, 2009, Petitioners filed this action via a Petition for a Writ  
10 of Mandamus in the Los Angeles Superior Court, alleging violations of the California  
11 Environmental Quality Act (CEQA) and City codes in the approval of the Project.

12 C. Following briefing and hearing, in October 2010 this Court issued an Order  
13 granting the Petition in part.

14 D. The Parties have engaged in settlement discussions following the Court  
15 ruling and mutually desire to resolve the disputes in this action.

16  
17 NOW, THEREFORE, in consideration of the terms, conditions, and covenants set  
18 forth in this Agreement, the Parties agree:

19  
20 **AGREEMENT**

21 1. Effective Date. This Agreement shall be effective as of the date last signed  
22 by any of the Parties.

23 2. Applicant Obligations. The Applicant shall do all of the following:

24 a. Make application to the City for a “Major Change to Approved  
25 Project.” The proposed changes (the “Revised Project”) shall include the following:

26 (1) Building square footage reduced to the maximum Code-  
27 allowed square footage of approximately 145,428 square feet, and without any FAR bonus.

1 (2) Off-street parking spaces only as required by the City's  
2 Municipal Code, with no commercial public parking spaces.

3 (3) Full compliance with the City's applicable Transit Oriented  
4 Development requirements for maximum parking spaces. For office uses, the Project's  
5 off-street parking shall therefore be reduced by 25%, and for other non-residential uses the  
6 off-street parking shall be reduced by 10%.

7 (4) Available parking spaces for the general public after normal  
8 business hours and on weekends.

9 (5) Deletion of the Project's east-west paseo and deletion of the  
10 previously-proposed eastern access to the adjacent Arcade Lane.

11 (6) Reconfiguration of the Paseo and Plaza spaces, while expecting  
12 approximately 5,000 square feet of open space courtyards designed in a manner consistent  
13 with the Pasadena Playhouse Sub-District Design Guidelines contained in the Central  
14 District Specific Plan (hereafter, the Guidelines).

15 (7) A building elevation and edge along El Molino Avenue in  
16 compatible context and scale with the Pasadena Playhouse and other historic buildings  
17 facing El Molino, consistent with the Guidelines.

18 (8) Compliance with the three applicable height zones, with  
19 potential minor encroachment in the 35' zone if the Revised Project includes a second  
20 story at the south end of the underground garage entrance.

21 (9) Encouragement of pedestrian crossing at the corners of El  
22 Molino Avenue at Colorado Boulevard and Green Street, without a mid-block crosswalk.

23 (10) Design consistent with the following Guidelines and  
24 Recommendation in Section 10 of the Guidelines including, but not limited to:

25 (a) “Site Planning Guideline 3: Introduce Courtyards and  
26 Passages – Construct a network of creative and inviting outdoor spaces that includes

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1 intimate courts and passages. Penetrate blocks to provide enclosed places that are  
2 memorable and pleasing to occupy;”

3 (b) “Site Planning Recommendation 3: Situate building  
4 volumes to clearly define, connect, and activate outdoor courts and passages; in general,  
5 outdoor spaces should be intimate, contained spaces, and function as an extension of  
6 interior space;”

7 (c) “Building Design Guideline 2: Reference Historic  
8 Structures – Although contemporary design solutions are encouraged, significant and  
9 noteworthy buildings in the area have qualities worthy of emulation. The scale, massing  
10 and degree of façade articulation of new structures should be respectful of historical  
11 buildings;”

12 (d) “Building Design Recommendation 1: Demand a high  
13 level of design excellence that is appropriate to an art-oriented district; variety within the  
14 context of a street-oriented development pattern is encouraged;”

15 (e) “Building Design: Recommendation 3 : Respect the  
16 scale, massing and articulation of adjacent historic buildings; massing should not  
17 overwhelm or diminish historic structures.”

18 (11) A prominent central ceremonial entrance on Colorado  
19 Boulevard differentiated from street-level storefront entrances.

20 b. To achieve the changes listed above, the Applicant shall engage a  
21 Design Architect that has been recommended by Petitioners and approved by the  
22 Applicant. The Design Architect will have lead responsibility for the Revised Project  
23 design, as delineated in paragraphs (c) and (e) below, through concept design approval  
24 from the Design Commission, with consultation continuing through design development.  
25 In cooperation with the Executive Architect, the Design Architect shall ensure that  
26 construction documents and construction administration conform to the consensus Revised  
27 Project design. The Applicant will contract with the Design Architect for the full scope of  
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1 services described in this Agreement and will be financially responsible for compensating  
2 the Design Architect. A copy of the Design Architect's scope of work described in the  
3 contract will be provided to the Petitioners prior to execution. The Executive Architect of  
4 Applicant's sole choice (currently and expected to remain Gensler Architects) will  
5 cooperate with the Design Architect during the concept design phase, ensuring adherence  
6 with the Applicant's programmatic requirements and the needs of prospective tenants, and  
7 will have lead responsibility for translating the conceptual design drawings into design  
8 development, construction documents, and construction administration.

9 c. In accomplishing the revisions listed above, the Revised Project  
10 concept design shall (i) relate well to the neighboring properties in terms of setbacks,  
11 height, massing, scale, frontage, materiality, courtyards, public open space, solar  
12 orientation, and topography; (ii) be consistent with Pasadena architecture in general and  
13 the Playhouse District in particular; (iii) be respectful of the context of the historic  
14 Pasadena Playhouse, the larger Pasadena Playhouse National Register Historic District,  
15 and the Arcade Lane buildings; (iv) use materials and finishes that are contextual to the  
16 Playhouse District and express permanence; (v) attempt to minimize new traffic on El  
17 Molino to the extent feasible; and (vi) be consistent with Guidelines.

18 d. The Applicant will direct the Design Architect to conduct an initial  
19 one or two meetings with Petitioners within which to develop a comprehensive and unified  
20 direction for the concept design ideas that Petitioners would like to have incorporated into  
21 the new design for the Revised Project. The Design Architect thereafter will provide  
22 focused input to the Working Group (described below) until the Working Group's unified  
23 design ideas are incorporated into a Revised Project design concept that is reflected in  
24 preliminary design drawings.

25 e. The Applicant will direct the Design Architect to present the  
26 preliminary design drawings at an initial meeting of a new Working Group tasked with  
27 developing a consensus design for the Revised Project for presentation to the City. The  
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1 Applicant agrees that the Working Group shall include up to two members representing the  
2 Applicant, up to two members representing Pasadenans for a Livable City, and up to two  
3 members representing Pasadena Heritage. In addition to the Working Group, an ad hoc  
4 subcommittee of three eligible members of the Design Commission ('ad hoc sub-  
5 committee') shall work closely with the Working Group to provide input on the revised  
6 design. Each entity shall select its own representatives in its sole discretion. As needed,  
7 the Working Group shall also be supported by the Design Architect, the Executive  
8 Architect, and City staff. The Working Group and the ad hoc sub-committee shall meet no  
9 less than weekly at a time, date, and place convenient for all participants to share ideas,  
10 reactions, and comments on the conceptual design until the Working Group members  
11 reach consensus that the Revised Project design concept, including but not limited to mass,  
12 scale, height, elevations, fenestration, architectural features, site plan, landscape plan, and  
13 materials, complies with the requirements of this Agreement. For purposes of this  
14 agreement, "consensus" shall mean agreement between the Applicant's representatives, on  
15 the one hand, and the unified opinion of the four representatives of Petitioners, on the other  
16 hand, and shall occur following the agreement of the majority of the ad-hoc subcommittee  
17 that the Revised Project design concept is sufficiently developed for review by the full  
18 Design Commission. Petitioners' representatives agree to work cooperatively with their  
19 organizations so that their agreement to the Revised Project design concept will be  
20 provided as though they are one entity.

21           f.       The Applicant and its representatives shall present the consensus  
22 Revised Project within the application for "Major Change to Approved Project,"  
23 referenced above in subparagraph (a), and shall thereafter support and advance the  
24 consensus Revised Project design from concept design review through 50% and 100%  
25 design review and through final City approval.

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1 g. In addition, the Applicant covenants to cooperate fully with the City  
2 in its efforts to construct a parking garage at Madison and Green Streets. If construction of  
3 the garage does not begin before March 1, 2016, this obligation shall be null and void.

4 h. The Applicant shall not pursue any entitlements or design approvals  
5 for the Project Site except those provided by this Agreement consistent with the Revised  
6 Project consensus design. If the Revised Project as provided in this Agreement is  
7 ultimately not built, the Applicant may pursue a new and different project by applying for  
8 new entitlements under the then-applicable City approval process.

9 3. City Obligations. The City shall do all of the following:

10 a. The City shall provide staff support to the meetings of the Working  
11 Group, including convening the meetings at times, dates, and places convenient for all  
12 participants, and agrees to the composition and tasks described above in paragraph 2(e).

13 b. Following the Applicant's submittal of an application for the  
14 consensus Revised Project, the City shall process and consider in good faith and in an  
15 expedited manner the proposed Major Change to Approved Project and subsequently the  
16 application for design approval for the Revised Project. Subject to the City's determination  
17 that the 2009 EIR is adequate for the Revised Project, the Revised Project shall be  
18 reviewed by the City based on that EIR, without EIR amendment, recirculation, or  
19 recertification. The City shall not publish, circulate, or approve a revised Draft EIR or any  
20 other CEQA document in furtherance of the original Project or any Project revision.

21 c. City staff reports shall support approval of the Revised Project before  
22 all City bodies involved in the entitlement process.

23 d. In light of the General Plan 2004 Mobility Element's designation of  
24 El Molino as a de-emphasized street, the City shall investigate and support reasonable  
25 traffic calming measures capable of minimizing and reducing the number of Revised  
26 Project-related vehicle trips along El Molino south of Green Street.

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1 e. The City may approve, conditionally approve, or disapprove the  
2 subject applications for entitlements to the Revised Project. Any feasible identified traffic  
3 calming measures shall be implemented as part of any Revised Project approval. After  
4 such measures have been in place for at least one year, the City may study their  
5 effectiveness. If the measures are found to be ineffective, the City may make any  
6 modifications necessary to serve the general welfare, and that are consistent with the  
7 Mobility Element then in effect.

8 f. The City shall use reasonable efforts to pursue the financing, design,  
9 and construction of a parking garage at Madison and Green Streets within five years of the  
10 date of this Agreement.

11 g. In the event the City approves the entitlements for the Revised  
12 Project, the new concept design shall be submitted to the Design Commission for formal  
13 design review pursuant to Pasadena Municipal Code Section 17.61.030.

14 4. Petitioners' Obligations: Petitioners agree as follows:

15 a. Petitioners shall recommend an architect or architects to serve as  
16 Design Architect, until the Applicant selects one of those recommended. Petitioners and  
17 their members and supporters shall provide detailed input to the selected Design Architect  
18 in initial meeting or meetings in order to develop a comprehensive and unified direction  
19 for the Revised Project concept design.

20 b. Petitioners shall appoint up to four members total from Pasadenans  
21 for a Livable City and Pasadena Heritage to serve collaboratively as part of the Working  
22 Group to pursue the tasks described above and concept/schematic drawings, design  
23 development drawings (50%, through 100% final design approvals), and to keep  
24 Petitioners apprised of the progress of the Working Group.

25 c. Petitioners shall publicly support (and not publicly oppose or object  
26 to) City approval of the Revised Project so long as it conforms to the consensus of the  
27 Working Group.

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1           d.     In the event that the City approves the Revised Project through final  
2 (100%) design approval in the form approved by consensus of the Working Group, neither  
3 of the Petitioners shall initiate, maintain, or prosecute any judicial or administrative action,  
4 suit, proceeding or claim against the City or the Applicant in connection with the Revised  
5 Project as implemented consistent with this Agreement.

6           e.     In the event that the City approves the Revised Project in the form  
7 approved by consensus of the Working Group, neither of the Petitioners shall cause,  
8 encourage, assist, advise, or cooperate with any person or group to commence, initiate, or  
9 prosecute any judicial or administrative action, suit, proceeding or claim, challenging this  
10 Agreement or the approval of the Revised Project.

11          f.     In the event that the City, including the Design Commission, approves  
12 the Revised Project final (100%) design in the form approved by the consensus of the  
13 Parties, or with design changes acceptable to the Parties, within five days of the final  
14 approval by the Design Commission Petitioners shall submit for Court approval a form of  
15 judgment and writ that allows the City to approve and the Applicant to implement the  
16 Revised Project as contemplated by this Agreement, based upon the 2009 EIR without  
17 revision. Petitioners' counsel shall also cooperate with counsel for the City and Applicant  
18 to prepare a stipulated writ return. Petitioners agree to bear their own attorneys' fees and  
19 costs in taking the actions required by this paragraph.

20          5.     Previous Costs and Attorneys' Fees. Pursuant to a separate settlement  
21 agreement entered into in December 2010, the Parties settled Petitioners' claim for  
22 attorneys' fees and costs incurred through that date. Those fees and costs have been paid,  
23 and no further fees are due or claimed through the date of adoption of this Agreement.

24          6.     Press Release. The Parties shall cooperate to prepare and issue a joint press  
25 release regarding the terms of this Agreement, to be issued following the effective date of  
26 this Agreement. No Party shall issue any other press release or statement to the press  
27 regarding this litigation or this settlement agreement.

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1           7.     Notices. All notices or other communications required or permitted to be  
2 given under this Agreement shall be in writing and shall be deemed to have been duly  
3 given if delivered personally in hand; by commercial overnight delivery service, with  
4 signed receipt requested; by facsimile or by email delivery, with simultaneous regular  
5 mail, addressed to the other Parties or their successors-in-interest at the addresses set forth  
6 below. Any Party may at any time change its address or electronic address for the delivery  
7 of notice upon five days' written notice to the other Parties. The following addresses shall  
8 be used for notice:

9  
10     To Petitioners:

Susan Brandt-Hawley  
BRANDT-HAWLEY LAW GROUP  
P. O. Box 1659  
Glen Ellen, California 95442  
T: (707) 938-3900  
F: (707) 938-3200  
E: [susanbh@preservationlawyers.com](mailto:susanbh@preservationlawyers.com)

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14     To City:

CITY OF PASADENA  
CITY COUNCIL  
100 N. Garfield Avenue, Suite N-210  
Pasadena, California 91109  
Attention: Michelle Bagneris, City Attorney  
T: (626) 744-4141  
F: (626) 744-4190  
E: [mbagneris@cityofpasadena.net](mailto:mbagneris@cityofpasadena.net)

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19     To Applicant:

PLAYHOUSE OFFICE, LLC  
c/o IDS Real Estate Group, Inc.  
515 S. Figueroa Street, 16<sup>th</sup> Floor  
Los Angeles, California 90017  
Attention: Mr. David Saeta  
T: (213) 362-9319  
F: (213) 627-9937  
E: [dsaeta@idsrealestate.com](mailto:dsaeta@idsrealestate.com)

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25           8.     No Waiver. Failure to declare a breach or actual waiver of any particular  
26 breach of the Agreement or its material or non-material terms by any Party shall not  
27 operate as a waiver by such Party of any of its rights or remedies as to any other breach.  
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1 this Agreement. Each Party shall execute and deliver such further instruments and  
2 documents, and take all such actions as may be reasonably necessary or desirable to carry  
3 out the terms and intent of this Agreement. The Parties agree not to take positions  
4 inconsistent with the terms of this Agreement and to exercise care in raising issues that  
5 might be contentious by first attempting to meet, confer, and resolve them in good faith.

6 16. Counterparts. This Agreement may be executed in counterparts, each of  
7 which shall be deemed an original, and together shall constitute one and the same  
8 instrument. Facsimile signatures may be used in lieu of originals.

9  
10 IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date  
11 shown below their signature:

12  
13 PASADENANS FOR A LIVABLE CITY,  
14 An unincorporated association

15 By Nina Chomelky  
16 Its Associate  
17 Dated: March 10, 2011

18 PASADENANS FOR A LIVABLE CITY,  
19 An unincorporated association

20 By Martha V. Poole  
21 Its Associate  
22 Dated: March 10, 2011

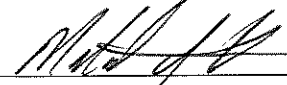
23 PASADENA HERITAGE,  
24 A California non-profit corporation

25 By Susan D. [Signature]  
26 Its Executive Director  
27 Dated: March 10, 2011

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CITY OF PASADENA and  
PASADENA CITY COUNCIL

By 

Its CITY MANAGER, FOR CITY

Dated: MARCH 22, 2011

PLAYHOUSE OFFICE, LLC,  
A Delaware limited liability company

By IDS Realty JV, LLC,  
A Delaware limited liability company  
Its Sole Member

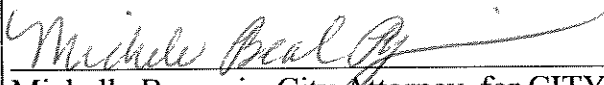
By IDSREG Equities, LLC,  
A Delaware limited liability company  
Its Manager

By \_\_\_\_\_  
Managing Director  
Dated: \_\_\_\_\_

COUNSEL'S APPROVAL AS TO FORM:



BRANDT-HAWLEY LAW GROUP  
By Susan Brandt-Hawley for PETITIONERS  
Dated: March 10, 2011

  
Michelle Bagneris, City Attorney, for CITY  
Dated: March 22, 2011

HAHN & HAHN LLP  
By R. Scott Jenkins for APPLICANT  
Dated: \_\_\_\_\_

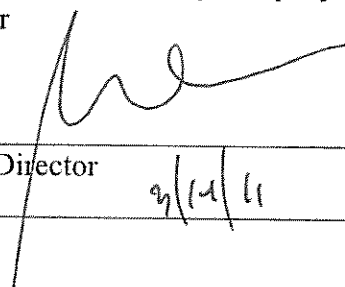
1 CITY OF PASADENA and  
PASADENA CITY COUNCIL

2  
3 By \_\_\_\_\_  
4 Its \_\_\_\_\_  
5 Dated: \_\_\_\_\_

6 PLAYHOUSE OFFICE, LLC,  
A Delaware limited liability company

7 By IDS Realty JV, LLC,  
8 A Delaware limited liability company  
9 Its Sole Member

10 By IDSREG Equities, LLC,  
11 A Delaware limited liability company  
12 Its Manager

13 By  \_\_\_\_\_  
14 Managing Director  
15 Dated: 2/14/11

16 COUNSEL'S APPROVAL AS TO FORM:

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18 \_\_\_\_\_  
19 BRANDT-HAWLEY LAW GROUP  
20 By Susan Brandt-Hawley for PETITIONERS  
21 Dated: \_\_\_\_\_

22 \_\_\_\_\_  
23 Michelle Bagneris, City Attorney, for CITY  
24 Dated: \_\_\_\_\_

25 \_\_\_\_\_  
26 HAHN & HAHN LLP  
27 By R. Scott Jenkins for APPLICANT  
28 Dated: \_\_\_\_\_

1 CITY OF PASADENA and  
PASADENA CITY COUNCIL

2 By \_\_\_\_\_  
3 Its \_\_\_\_\_  
4 Dated: \_\_\_\_\_

5  
6 PLAYHOUSE OFFICE, LLC,  
A Delaware limited liability company

7 By IDS Realty JV, LLC,  
8 A Delaware limited liability company  
9 Its Sole Member

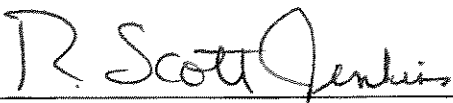
10 By IDSREG Equities, LLC,  
A Delaware limited liability company  
11 Its Manager

12  
13 By \_\_\_\_\_  
14 Managing Director  
Dated: \_\_\_\_\_

15  
16 COUNSEL'S APPROVAL AS TO FORM:

17  
18 \_\_\_\_\_  
19 BRANDT-HAWLEY LAW GROUP  
By Susan Brandt-Hawley for PETITIONERS  
20 Dated: \_\_\_\_\_

21  
22 \_\_\_\_\_  
23 Michelle Bagneris, City Attorney, for CITY  
Dated: \_\_\_\_\_

24   
25 HAHN & HAHN LLP  
By R. Scott Jenkins for APPLICANT  
26 Dated: March 10, 2011

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