

CITY OF LOS ANGELES

CALIFORNIA



JUNE LAGMAY
City Clerk

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Executive Officer

Office of the
CITY CLERK

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ANTONIO R. VILLARAIGOSA
MAYOR

March 9, 2011

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council file

No. 09-2540-S3, at its meeting held March 8, 2011.

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WHEREAS, the redevelopment of the Wilshire Grand Hotel will provide a host of meaningful benefits to the City of Los Angeles including the creation of new jobs, a significant financial contribution to the City's General Fund through new taxes, and multiple public infrastructure improvements; and

WHEREAS, this effort involves the development of a hotel and mixed-use project totaling approximately 2.5mil. sq. ft. located on a 3.2 acre site; the project includes 560 hotel rooms and/or hotel-condo units, 100 residential units and 1.5mil. sq. ft. of office space and 275,000 sq. ft. of amenity areas including retail, restaurants, spa, meeting rooms and fitness center and a one-fourth acre pedestrian plaza; and

WHEREAS, this project will contribute greatly to the continued development of the downtown area and the viability of the Convention Center and other downtown developments such as LA Live; and

WHEREAS, the City Planning Commission considered this matter on December 16, 2010 and approved the project as recommended by the Planning Department; and

WHEREAS, this project will result in many local and regional public benefits, including:

- ▶ It will be the **first high-rise office building in downtown Los Angeles in more than 22 years.**
- ▶ The project will be **silver LEED certified.**
- ▶ The development agreement includes **\$74 million in community benefits.**
- ▶ **New City tax revenues of \$22 million a year starting in 2015.**
- ▶ The creation of new jobs: **7,300 new construction jobs and 10,900 direct, indirect and induced permanent jobs,** of which 9,700 will be net new jobs above what currently exists on the project site.
- ▶ The developer will enter into a **Project Labor Agreement** and participate in existing apprenticeship programs for all the construction trades and for permanent hospitality jobs.
- ▶ The developer will comply with the City's **living wage ordinance** for non-retail entities within the project.
- ▶ The developer will provide a **comprehensive Healthcare, Welfare and Severance agreement** for the existing 480 Wilshire Grand hotel employees. And, the developer has agreed to a **collective bargaining agreement** that will be applicable to the new hotel.
- ▶ The development agreement provides for **solid infrastructure improvements:** in phase one, the developer will provide approximately \$4 million to streetscape work and pedestrian improvements for six blocks on 7th St., and Wilshire Blvd. and in phase two the developer will provide an additional \$4 million.
- ▶ The developer will provide a **mobility hub in the plaza area of 300 sq. ft. with free rent for three years.** The space will accommodate **bike parking, bike lockers, and shared bikes.**
- ▶ The development agreement will require the developer to **pay for the environmental review that will be necessary to create the Figueroa Corridor Supplemental Use District.** Specifically, the developer will pay \$400,000 towards the environmental study and related costs.
- ▶ The establishment of the **Figueroa and Seventh Sign District** will set standards and guidelines to improve the aesthetic environment, reduce visual blight associated with signage clutter, and regulate signage as part of the development of downtown Los Angeles.
- ▶ The redeveloped Wilshire Grand hotel will **contribute rooms to the Convention Center** for long term 3-4 day conventions and will codify that arrangement through a room block agreement; and

WHEREAS, approval of this project has been part of a long and comprehensive process which has been in the public purview for over TWO YEARS and both the draft EIR as well as the Final EIR were circulated; there were only two appeals filed, one of which is from the developer and the other appeal has been appropriately responded to by the Planning Department in its Additional Responses to Comments issued on February 18, 2011; and

WHEREAS, if this project is unable to proceed there will be significant harm to the public including:

- ▶ The current Wilshire Grand Hotel is losing money and would close absent this redevelopment.
- ▶ Its closing will result in a loss of jobs, loss of tax revenue, and a shuttered hotel and office building.
- ▶ The City would be sending the wrong message to potential investors and jeopardizing real economic development.
- ▶ The City is in urgent need of additional revenues and economic development; next year, the City is projecting a \$350 million deficit.
- ▶ The unemployment rate for Los Angeles County is 13% and in areas like South Los Angeles the unemployment rate is nearly double the average of the County; and

WHEREAS, after almost two years of processing, the developer has reached a deadline which, if not met, will mean cancellation of the entire project due to financing constraints; and

WHEREAS, this loss can be averted if the Council acts to modify the last public hearing notice period requirement to reduce the number of days from 24 to 10, as permitted by State law; and

WHEREAS, immediate action is needed since the development agreement was not transmitted to the City Clerk in time for issuing the 24-day public hearing notice;

NOW, THEREFORE, BE IT RESOLVED, that the Council determine, as provided in Section 54954.2(b)(2) of the Government Code, and pursuant to **Rule 23** of the Rules of the City Council, that there is a need to take immediate action on this matter AND that the need for action came to the attention of the City Council subsequent to the posting of the agenda for today's Council meeting; and

BE IT FURTHER RESOLVED, that the Council hereby makes a finding of public benefit, as further detailed in the text of this Resolution and hereby makes an exception to the City's Development Agreement Procedures (CF 85-2313-S3) and reduces from 24 days to 10 days, the public hearing notice period for Council's consideration of the Development Agreement for the Wilshire Grand Redevelopment Project (CF 11-0106, CPC 2009-3416, TDR-CUB-CU-CUW-ZV-SN-DA-ZAD-SPR-GB); and

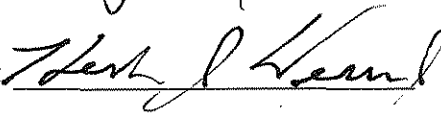
BE IT FURTHER RESOLVED, that the City Clerk is hereby instructed to issue notice(s) and schedule for Council consideration the matters identified above consistent with the above action.

PRESENTED BY:



JAN C. PERRY
Councilwoman, 9th District

SECONDED BY:



HERB J. KERN

MAR 8 2011

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ADOPTED

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LOS ANGELES CITY COUNCIL

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