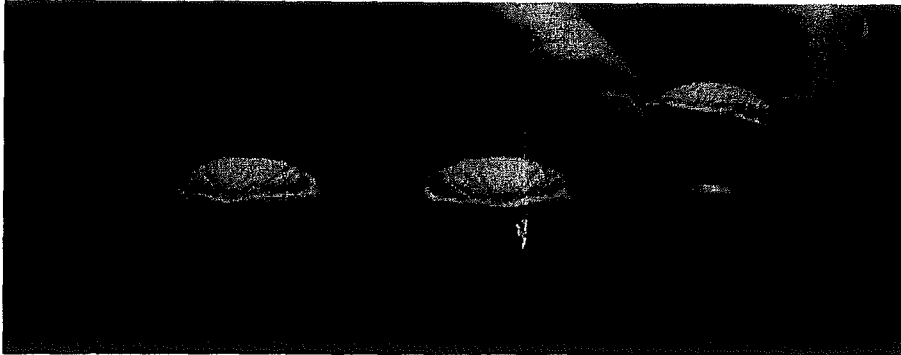


Parking Lot Shell Game: \$53 Million Today or \$3.5 Billion Tomorrow?

LA GARAGE SALE

Jack Humphreville



The Mayor's ill conceived, Chicago styled scheme to sell the City's parking facilities is finally unraveling as the impacted communities of Hollywood and Westwood have finally mobilized their efforts to fight the unconscionable RATE SHOCK that would accompany the completion of this transaction.

After being stonewalled by the know-it-alls at City Hall, these communities have developed a concerted effort to inform the people of Los Angeles and the City Council that the anticipated rate increases will have a devastating impact on the local businesses. This would result in lower revenues for impacted merchants, entertainment venues, and businesses, job losses, and lower sales tax receipts, far outweighing any benefits associated with the quick fix sale of the parking facilities.

As a result, the policy of eliminating or severely restricting the parking validation programs was finally addressed by the City, thereby providing some degree of protection from the proposed rate shock. However, these reasonable protections will result in a lower valuation of the parking facilities as potential out of town investors would not have free license to raise rates. This has caused the City Administrative Officer and the Chief Legislative Analyst to issue a memo outlining the dire implications of the failure of the City to complete the sale of the parking facilities at the desired level of at least \$250 million. These funds will be used to temporarily balance this year's budget, pay off related debt, increase the Reserve Fund, and pay millions to the politically connected, fee oriented, bonus driven, Chicago based investment bankers, lawyers, financial advisors, and consultants.

But the City would be forced to take drastic actions that will result in the lesser services, furloughs, office closings, and cutbacks for Recreation & Parks, the Fire Department, the Mayor and the City Council, Planning, and many other departments.

Of course, these steps should have been taken last year when the City was approving its current budget, rather than relying on another one off gimmick.

Naturally, the Mayor has not focused on the fact that the City is facing insolvency. Rather, according

to David Zahniser of The Los Angeles Times, the mayor is "still committed to the garage plan and APPALLED at the alternative scenario for the Police Department." And to emphasize the point, Matt Szabo, the mayor's deputy chief of staff, managed to over exaggerate just a bit when he said, "The idea that we would take cops off the street to maintain free parking subsidies is borderline insanity,"

What Szabo failed to point out was that the impact on the Police Department was \$200,000, or 0.4% of the \$52.75 million alternative plan to offset the non sale of the parking facilities.

Yes, less than 1%. Scare tactics, perhaps!

But you know what. We, the concerned citizens of Los Angeles, are appalled.

We are appalled at the Mayor, his office, the City Administrative Officer, the Chief Legislative Analyst, the City Attorney, the Controller, and the City Council for backing the sale of our parking facilities.

We are appalled that you endorsed poor fiscal policy. The City is selling revenue producing capital assets to pay operating expenses. It is an unprincipled invasion of principal. Even State Treasurer Bill Lockyer lambasted the State's idiotic sale of its office buildings despite the infusion of over \$1.2 billion.

We are appalled that you endorsed another one off, short term budget gimmick that results in net proceeds of only \$53 million while private investors will suck out \$3.5 billion in profits out of our economy over the next 50 years.

We are appalled that you have endorsed a fire sale price that is less than 50% of the price Chicago received on a per space basis.

We are appalled that you have not done an ounce of analysis on the impact of higher rates on the local communities. How will higher rates impact the CRA financed Cirque du Soleil, the areas around Hollywood and Highland and the Arc Light, Westwood, Pershing Square in Downtown LA, Sherman Oaks, Van Nuys, and Studio City?

We are appalled that you have not even had the common decency to meet with the local communities to discuss the issue.

We are appalled that you did not consider other alternatives, such as hiring an experienced, well capitalized private operator to manage these facilities, rather than selling our facilities to Wall Street and foreign investors who do not give a damn about us out here on the Left Coast.

We are appalled by the continual flow of one sided memos that fail to present a balanced picture.

We are appalled that you have refused to honor the request for basic information pursuant to the California Public Records Act.

We are appalled that you are willing to share information with your "labor partners," but not with the slobes that pay the bills.

We are appalled that you have not developed a long term solvency plan even though "Los Angeles is on the Brink of Bankruptcy" according to the widely read article by Mayor Richard Riordan and Alex Rubalcava in The Wall Street Journal.

We are appalled that the City Council has not had a meaningful public discussion about the sale of the parking facilities in City Hall chambers, but rather meets behind closed doors.

And we will be further appalled if the City Council approves this boneheaded deal.

Now many Angelenos will not be impacted directly by the sale of the parking facilities. Not in my back yard. That may be true today. But tomorrow, it will be the parking meters, a park, a museum, a library, but this time, in your backyard.

Who knows what as our elected elites will do to avoid making hard decisions that are needed to remain solvent, fearing that they will alienate their self serving political cronies and the municipal unions, all sources of campaign cash?

It is time for the City, its elected officials, and people of responsibility to face reality. The City needs to develop a long term solvency plan that addresses its chronic budget deficits, its unfunded pension liabilities, its deteriorating infrastructure, and its inefficient and bloated operations and bureaucracy.

Many organizations, including Neighborhood Councils, Chambers of Commerce, homeowner associations and others have opposed the sale of our parking facilities. In Westwood alone, they have gathered over 2,000 signatures.

In this election year, it is time for the City Council to say NO to the sale of parking facilities.

If not, you will learn the meaning of the old phrase, POWER TO THE PEOPLE.

More LA Garage Sale Stuff

- "LA Budget Chief: Police Hiring at Risk"-Zahniser-LATimes [[[]]]
- Westwood Garage Sale Opposition Motion
- "Sound the Alarm"-Ron Kaye

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