

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

September 25, 2012

TO: John White, City Clerk

FROM: Luciralia Ibarra
City Planning Associate
Department of City Planning

SUBJECT: CPC-2012-2311-DA
Corrections for Event Center Development Agreement Determination
Ad Hoc Meeting - 9/24

The following are corrections to the recommended actions and findings for Case No. CPC-2012-2311-DA as directed by Ad Hoc Committee on Downtown Stadium and Convention Center Renovation, to incorporate the revisions requested by the Planning Department, and as outlined in the Applicant letter, dated September 24, 2012, approved by the Ad Hoc Committee.

Also, attached is a complete version of the findings for CPC-2012-2311-DA, incorporating the following corrections (not including underline and strikeout edits).

Adopt the Mitigation Monitoring and Reporting Program and Statement of Overriding Considerations as approved by the Ad Hoc Committee.

Add to the end of Section F.

Environmental Findings

1. The findings with respect to Environmental Impact Report (EIR No. 2011-0585-EIR; State Clearinghouse No. 2011031049) set forth in Case No. CPC-2012-0849-GPA-VZC-SP-SN at pages F-58 through the end (CEQA Findings), are incorporated by this reference as though fully set forth herein.

9/25/12 10:58

FINDINGS

DEVELOPMENT AGREEMENT REQUEST AND FINDINGS

State Government Code Sections 65864 through 65869.5 authorize municipalities to enter into binding development agreements with person having legal or equitable interest in real property for the development of such property.

The City of Los Angeles has adopted rules and regulations establishing procedures and requirements for consideration of development agreements under Citywide Development Agreement Procedures (CF 85-2313-S3). In addition, on November 19, 1992, the City Planning Commission adopted new guidelines for the processing of development agreement applications (CPC No. 86-404 MSC).

L.A. Event Center, LLC ("Event Center Applicant") has requested that the City consider entering into a development agreement (the "Development Agreement") with respect to the Event Center. The development agreement process was initiated by the Director, and all proceedings have been taken in accordance with the City's adopted procedures.

- 1. The proposed Development Agreement is consistent with the objectives, policies and programs specified in the General Plan. The Project Site is regulated under the Community Plan, a component of the Land Use Element of the General Plan.**

The Development Agreement, which will vest the Project's development rights, will be consistent with the General Plan and the Community Plan for the following reasons:

The proposed Development Agreement will allow the Event Center Applicant to create a multi-purpose Event Center within the Downtown area of the City of Los Angeles and will assure the revenue streams necessary to fund construction of the Event Center, adding to the success of the Project and permitting the attendant job creation and additional investment in the surrounding Downtown area. The Community Plan recognizes the critical role that tourism and entertainment play in the commercial activity of Los Angeles and the Central City area in particular. The Convention Center and STAPLES Center are specifically cited as adding significantly to the draw of Downtown for visitors. The revitalized Convention Center and Event Center will result in additional business, retail, and development in the areas adjacent to the Project, and is anticipated to create jobs for residents of the area. The expanded sports, entertainment, convention and other event activities will serve to further complement and benefit the tourism, hotel and entertainment industries in the immediate Project vicinity, as well as throughout Downtown and the City as a whole. The Project will also help sustain and grow the existing retail base along the Figueroa Street Corridor by attracting visitors and new businesses to the area.

The Project will bring cohesiveness of design to the Project site, and would create continuity with surrounding areas. One of the goals of the Project is to create an urban environment designed to a human scale that activates the adjacent streets, encourages public pedestrian access, promotes the walkability of and around the Project, and creates strong pedestrian connections to the surrounding area, particularly nearby transit stops and stations. The public plazas and street improvements within the Project will serve to accomplish this goal, as will pedestrian-scaled elements at all entrances to the new facilities.

Given its location in Downtown Los Angeles, which is the hub of the rail and bus transit system for the metropolitan Los Angeles area, the Project will also promote the use of the public transportation system. The nature of events at the Project site, including exhibitions, trade shows, sporting events and entertainment activities, are expected to attract visitors from across the region as well as from the immediate Downtown area, where the proximity of the Project to a comprehensive transit system would encourage and facilitate transit use and a 24-hour Downtown. The Project will include a network of walkable and safe pathways and streetscapes throughout the Project site that would facilitate connections with nearby transit to encourage the use of alternative modes of transportation. The streetscape and intersection improvements designed for the Project will promote attractive, functional, safe and enjoyable streets and bike paths as well as pedestrian-friendly sidewalks that connect to and complement the Downtown area.

2. The proposed Development Agreement is consistent with the Convention and Event Center Specific Plan (to be approved as part of the Proposed Project's requested entitlements).

The Development Agreement will allow for expedient implementation of the Convention and Event Center Specific Plan. The Development Agreement will create certainty in the development process, which will allow the Event Center Applicant to better address needs of the site and the area as a whole through the Convention and Event Center Specific Plan more quickly than might otherwise occur without the Development Agreement, due to the mutual benefits to the parties from the Development Agreement.

3. The proposed Development Agreement is consistent with the City's Planning and Zoning Code and other relevant City ordinances.

Approval of the Development Agreement, along with the requested discretionary actions and conditions of approval already imposed under City Planning case number CPC-2012-849-GPA-VZC-SP-SN-DA, will provide a project that conforms with the LAMC requirements for the Project site.

4. The proposed Development Agreement will not be detrimental to the public health, safety and general welfare.

The Development Agreement includes provisions which specifically permit the application of rules and regulations as necessary to protect public health and safety. The public benefits associated with the Event Center will also promote the public health, safety and general welfare by attracting the National Football League to the City and thereby enhancing the City's prominence as the destination choice for Citywide conventions exhibitions, trade shows, and high profile events and its economic base, including tax revenues, through an increase in such conventions and events.

The Development Agreement also facilitates the provision of a comprehensive Community Benefits Program, which will provide targeted employment opportunities at and above living wage levels, as well as job training, to local residents; programs and funds designed to assist the development of micro-businesses and minority owned businesses and introduce youth to careers in the sports, entertainment and hospitality industries; funds for streetscape improvements, neighborhood protection enhancements and land use planning in the vicinity of the Project; and funds for the development of publicly accessible park, and/or green space, among other community benefits.

5. The proposed Development Agreement will promote the orderly development of the Project Site in accordance with good land use practice.

As discussed above, the Proposed Project is consistent with the policies and provisions of the General Plan, Community Plan, Convention and Event Center Specific Plan and the LAMC. The proposed Development Agreement vests the Applicant's rights to develop the Project site as analyzed in the EIR No. 2011-0585 (SCH No. 20110024) and as delineated in the requested discretionary approvals. The proposed Development Agreement provides assurances that the Proposed Project will proceed in accordance with all applicable rules, regulations and conditions, and strengthens the public planning process by encouraging private participation in comprehensive planning and reducing the economic costs of development to the Event Center Applicant and the public. The proposed Development Agreement provides assurance of a comprehensive development plan that is consistent with all applicable provisions of the LAMC, General Plan, Community Plan and the Convention and Event Center Specific Plan, and that therefore is consistent with good land use practice. The proposed Development Agreement complies in form and substance with all applicable City and State regulations governing development agreements. The proposed Development Agreement further complies with the guidelines adopted by the City:

- a. The Project is anticipated to be completed in 2017. The Development Agreement provides for extension of that term if unforeseen conditions or other specified factors influence the ability to commence construction of the Event Center by 2017 and provides a mechanism for evaluating the environmental impacts associated with proposed extensions of the Proposed Project if its completion date is extended beyond 2017.
- b. In addition, following issuance of a building permit for the Event Center, a Development Agreement term coterminous with the term of the Mello-Roos Bonds issued for the Event Center project is requested to allow continued vesting of the entitlements granted for the term of the Mello-Roos Bonds issued for the Event Center project. The Development Agreement will not be effective until a ground lease for the Event Center has been fully executed.
- c. The proposed Development Agreement is being processed with the processing of other Project entitlements, including City Planning Case number CPC-2012-849-GPA-VZC-SP-SN-DA.
- d. The proposed Development Agreement will provide public benefits not otherwise obtainable, and for which no nexus exist under the Project's environmental clearance, that will benefit the surrounding residents of the Project site and the City as a whole.
- e. The proposed Development Agreement contains all of the provisions, terms and conditions which, in addition to those required by law, are deemed to be necessary and or desirable in order to implement the City's General Plan.
- f. Based upon the above findings, the recommended Development Agreement action is deemed consistent with public necessity, convenience, general welfare and good zoning practice.

Environmental Findings

1. The findings with respect to Environmental Impact Report (EIR No. 2011-0585-EIR; State Clearinghouse No. 2011031049) set forth in Case No. CPC-2012-0849-GPA-VZC-SP-SN at pages F-58 through the end (CEQA Findings), are incorporated by this reference as though fully set forth herein.