

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

September 24, 2012

Date: 9/24/12
Submitted in AD Hoc STAGING Committee
Council File No: 11-0023
Item No.: 1
Deputy: Adam R. Lid

TO: Honorable Ad Hoc Committee Members

FROM: Henry Chu 
Hearing Officer
Department of City Planning

SUBJECT: **CPC-2012-0849-GPA-VZC-SP-SN-DA**
Conditions and Findings Corrections for Convention and Event Center Project

The following are requested changes to the conditions and findings for the Convention and Event Center case, CPC-2012-0849-GPA-VZC-SP-SN. The numbered items are corrections that should be made to reflect the City Planning Commission action from its September 13, 2012 meeting. The changes in the (Q) Conditions pertaining to environmental conditions would also be reflected in the Mitigation Monitoring and Reporting Program identified as Appendix C of the Convention and Event Center Specific Plan.

(Q) QUALIFIED CONDITIONS OF APPROVAL

B. ENVIRONMENTAL CONDITIONS

MM-10 (Mitigation Measure B.1-1):

Prior to issuance of a demolition or building permit for the Event Center, the Event Center Applicant shall enter into an agreement with LACMTA requiring the Event Center Applicant to (i) fund the actual cost of improvements to the Pico Station in accordance with a mutually agreed schedule for development, design and construction (which is presently estimated at a total cost of \$10.35 million), and (ii) to fund the actual increased operational costs at the Pico Station and other LACMTA stations impacted by the Event Center project. The Event Center Applicant shall not operate the Event Center until the Pico Metro Station improvements have been completed or suitable alternatives for transit use shall be implemented. The Pico Metro Station, located on Flower Street between 12th Street and Pico Boulevard one block from the Project Site, is currently a single platform station with limited capacity access to the platform from the east sidewalk of Flower Street. LACMTA will use the Event Center Applicant's payments to (a) add a second platform parallel to the existing Pico Metro Station platform, and (b) refurbish the existing station platform to improve the passenger handling capacity and (c) provide additional staffing to ensure safe and efficient transit operations for events at the Event Center.

A revised Statement of Overriding Considerations is also submitted (See attachment) to reflect the changes made by the City Planning Commission to the Event Center Development Agreement.

Statement of Overriding Considerations

The Final EIR has identified certain unavoidable significant project and cumulative impacts of the Project. The City concludes, as described above, that the Project will have certain project and cumulative significant impacts on the environment.

Section 21081 of the California Public Resources Code and Section 15093(b) of the CEQA Guidelines provide that when the decisions of the public agency allows the occurrence of significant impacts identified in the Final EIR that are not substantially lessened or avoided, the lead agency must state in writing the reasons to support its action based on the Final EIR and/or other information in the record. Section 15093 (b) of the CEQA Guidelines requires that the decision maker adopt a Statement of Overriding Considerations at the time of approval of a project if it finds that significant adverse environmental effects identified in the Final EIR cannot be substantially lessened or avoided. These findings and the Statement of Overriding Considerations are based on substantial evidence in the record, including but not limited to the Final EIR, the source references in the Final EIR, and other documents and material that constitute the record of proceedings.

Accordingly, the City adopts the following Statement of Overriding Considerations. The City recognizes that significant and unavoidable impacts will result from implementation of the Project. Having (i) adopted all feasible mitigation measures, (ii) rejected as infeasible alternatives to the Project, (iii) recognized all significant, unavoidable impacts, and (iv) balanced the benefits of the Project against the significant and unavoidable impacts of the Project and its cumulative impacts, the City hereby finds that the each of the Project's benefits, as listed below, outweighs and overrides the significant unavoidable impacts of the Project.

Summarized below are the benefits, goals and objectives of the Project. These provide the rationale for approval of the Project. Any one of the overriding considerations of economic, social, aesthetic and environmental benefits individually would be sufficient to outweigh the significant unavoidable project and cumulative impacts of the Project and justify the approval, adoption or issuance of all of the required permits, approvals and other entitlements for the Project and the certification of the completed Final EIR. Despite the significant unavoidable impacts of the Project as described above, the City certifies the Final EIR and approves the Project entitlement approvals based on the following contributions of the Project to the community:

- The direct on and off-site economic impact associated with construction of the Project is expected to generate over \$3.3 billion in output supporting 19,359 full time equivalent (FTE) positions with earnings of over \$960 million over the course of the construction period.

- Annual operation of the Project is expected to generate over \$183 million in total output throughout the Los Angeles economy supporting 3,546 full time equivalent (FTE) positions with earnings over \$77 million per year.
- The Project would generate \$27.3 million in annual revenues to the City's general fund from on and off-site operations.
- The Project would serve as a catalyst for economic growth in downtown Los Angeles and synergistically build upon existing venues including STAPLES Center and L.A. Live.
- The New Hall, Event Center and new parking structures will be financed solely from private funding sources, at no risk to the City's General Fund.
- The Project promotes smart growth and sound urban planning principles by developing a major sports, entertainment and Convention Center venue in close proximity to transportation corridors and transit stations.
- The Project would modernize and enhance the marketability of the Convention Center by: (i) replacing the outmoded West Hall with a modern New Hall contiguous to the existing South Hall, (ii) creating a more efficient exhibit hall, (iii) increasing the number of trade shows and conventions attracting out of town visitors, (iv) providing Convention Center expansion capabilities for certain events through the use of the event floor, premium suites and club spaces for exhibit and meeting use.
- Completion of the Project and modernization of the Convention Center will propel Los Angeles from 15th to 5th in the nation for convention center size.
- An upgraded convention center will result in an estimated 80 annual booked event days in downtown Los Angeles, significantly benefiting the local economy.
- The Project will provide a state of the art Event Center capable of attracting and maintaining up to two NFL teams. In addition, the Event Center will enable the City to attract major national and international sporting events, such the Super Bowl, Pro Bowl, NCAA Final Four, Rodeos, Motor Cross, MLS and international

soccer matches, other collegiate championships, potentially the Olympic Games, as well as music concerts, festivals and religious gatherings.

- The Project would incorporate sustainability as one of its key design and operational criteria. The proposed New Hall would be designed to achieve LEED® Gold Certification while the Event Center would be designed to achieve a minimum of LEED Certification.
- As part of the effort to pursue LEED Certification, the Event Center would incorporate the AEG 1EARTH environmental program already implemented at STAPLES Center and across L.A. Live for the purpose of reducing greenhouse gas emissions.
- The Project will include substantial open space assembly areas for fans and visitors that can be utilized for pre-event and post-event gatherings.
- The Gilbert Lindsay Plaza will be reconfigured as part of the Project design to provide additional open space available to the community on non-event days.
- The Event Center will incorporate an open air stadium design with a deployable roof to take advantage of Southern California's temperate climate.
- The Project would provide economic development opportunities in Pico-Union and South Los Angeles by attracting out of town visitors to additional exhibition events and local and out of town fans to additional spectator events.
- The Project will provide an extensive community benefits program as specified in the development agreement for the Project. Benefits include:
 - **Project Labor Agreement.** The Event Center Owner shall require the contractor for the Project to enter into a Project Labor Agreement with the Los Angeles/Orange Counties Building and Construction Trades Council (the "PLA") to promote efficiency of demolition and construction operations during construction of the Project and provide for the orderly settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in assuring the timely and economical completion of the Project. The Project Labor Agreement shall also establish a process for implementation of local workforce utilization goals, such as local hire goals and efforts to hire disadvantaged workers including: formerly homeless, individuals formerly in

contact with the judicial system, veterans of Iraq and Afghanistan, emancipated youth, chronically unemployed or underemployed workers, single parents and individuals receiving public assistance.

- **Local Hiring**. The Event Center Owner has established local hiring goals of 30% for construction, 10% of which would include disadvantaged workers, and 50% for operations of the Project.
- **First Source Referral System**. The Event Center Owner shall provide a total of \$500,000 in seed funding to a nonprofit organization which may include, but shall not be limited to, trade unions, community based organizations such as the YWCA/Job Corps program, City work source centers, LA Trade Tech's hospitality division and others, as approved by the City, which shall include the Planning Department, the Community Development Department, and the affected Council Offices, to staff and operate the First Source Referral System. The First Source Referral System will work with employers and with appropriate community-based job training organizations to provide referrals.
- **Living Wage Goal**. The Event Center Owner has established a Living Wage Goal of maintaining 100% of the jobs in the operation of the Project as living wage jobs. Living wage jobs shall be measured annually from the date of the temporary or final certificate of occupancy for the Event Center Improvements, whichever is earlier.
- **Neighborhood Protection and Land Use Analysis Plan**. Event Center Owner shall guarantee \$2,000,000 through cash, bond or irrevocable letter of credit, payable to the Planning Department, for the development and implementation of neighborhood protection and land use planning initiatives to be implemented in the vicinity of the Project. The following communities will be eligible for the expenditure of funds: Pico Union, South Los Angeles and Downtown, with \$500,000 of the expenditures allocated to Pico Union and South Los Angeles.
- **Pico Union Streetscape Improvements**. The Event Center Owner shall submit to the Director of Planning a plan, which shall be prepared at no cost to the City, for the implementation of streetscape improvements (such as street trees, sidewalk scoring, street furniture, street lighting, etc.) for a length of 500 feet beginning from the Specific Plan boundary and running west, and shall cover both sides of the following streets:

1. Olympic Blvd

2. Chick Hearn Court/11th Street
3. 12th Street
4. West Pico Blvd.

The landscaping, fixtures, and materials used shall be comparable to those used within the Specific Plan area and the streetscape improvement plan shall describe them detail.

The Event Center Owner shall fund or cause to be funded \$500,000 towards the implementation of the streetscape improvements.

- **MBE/WBE/DVBE Participation Goal.** The Event Center Owner has established a goal that contracts and subcontracts awarded during the construction and operations of the Project be awarded to: Small Business Enterprise (SBE) firms in a dollar amount that is equal to 25%, Minority Business Enterprise (MBE) firms in a dollar amount that is equal to 20%, Women Business Enterprise (WBE) firms in a dollar amount that is equal to 5%, and Disabled Veteran Business Enterprise (DVBE) firms in a dollar amount that is equal to 3% of the aggregate sum of all contracts to be awarded. Contracts and subcontracts awarded to MBE, WBE and DVBE firms that meet the criteria of SBE firms shall also be counted toward the SBE participation goal. Contracts and subcontracts awarded to SBE firms that meet the criteria of MBE, WBE or DVBE firms shall also be counted towards the MBE, WBE or DVBE participation goals, as applicable.
- **Small Business Enterprise Development Fund.** The Event Center Owner shall provide seed funding in the amount of \$200,000 to a nonprofit organization approved by the City, including the Planning Department and Community Development Department, that supports the development and growth of Small Business Enterprises, as defined above, in the vicinity of the Project, including the areas of Pico Union, Downtown and South Los Angeles. Funds shall be used to support the development of SBE participation in the construction and operation of the Project. Funds are intended to leverage existing funding available to non-profit organizations that currently support the development and growth of SBEs.
- **Green Space, Parks and Recreation Funding.** The Event Center Owner shall fund or cause to be funded (i) at least \$750,000 for the creation or improvement of a minimum of one (1) acre of green space, parks and recreation facilities, including but not limited to land acquisition, park design and construction, soccer field development and the development of community gardens within a five (5) mile radius of the Project; (ii) \$700,000 to the Department of Recreation and

Parks for improvements to Pershing Square; (iii) \$300,000 for downtown pedestrian wayfinding improvements; and (iv) \$1,000,000 to the Mayor's 50 Parks Initiative.

- **College Scholarship Program.** The Event Center Owner shall allocate \$1,000,000 for the creation of a college scholarship program for students who reside within a five (5) mile radius of the Project.
- **Job Shadowing Program.** The Event Center Owner shall establish a job shadowing program designed to introduce and expose students to careers in the sports, entertainment and hospitality industries. The Event Center Owner shall invite schools within the areas surrounding the Project to participate in the program.
- **Summer Youth Employment Program.** The Event Center Owner shall allocate \$50,000 in seed funding to support a summer youth employment program for students residing in the areas surrounding the Project. The Event Center Owner shall either facilitate youth employment on-site or provide funding to a nonprofit organization approved by the City that provides stipends of a minimum of \$50 per student to a minimum of 20 students per year as part of an existing summer youth employment program that is at least four (4) weeks in length.
- **Paid College Intern Program.** The Event Center Owner shall prepare an outreach program for the (i) promotion of existing college internship opportunities to area colleges and universities within the areas surrounding the Project, and (ii) development of a paid college internship program for interns from the communities surrounding the Project. The Event Center Owner shall ensure that the paid college internship program provides a minimum of 10 students per year with paid college internships which shall pay at a minimum the wage required under the City's Living Wage Ordinance.
- **Enhanced Design.** Event Center Owner shall enhance the design detailing for Gilbert Lindsay Plaza and the edge of the L.A. Live Way and Bond Street Garages adjacent to the freeway by augmenting the design team with high caliber designers or architects, selected to the reasonable satisfaction of the Director of Planning.
- **Fire Department facilities Analysis.** The Event Center Owner shall provide \$80,000 to the City in connection with an analysis of Fire Department facilities in the Downtown area.

- **Dog Park.** The Event Center Owner shall fund or cause to be funded the development and maintenance of a dog park near the intersection of L.A. Live Way and Chick Hearn Court, subject to obtaining any required City approvals. The dog park shall be privately owned, operated and maintained by the Event Center Owner or one of its affiliates.