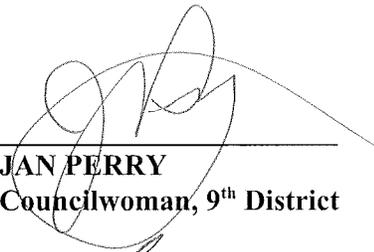


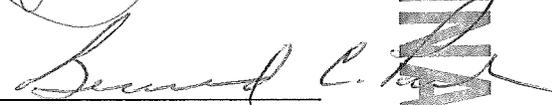
MOTION

I MOVE that the matter of ENVIRONMENTAL IMPACT REPORT, MITIGATION MEASURES, MITIGATION MONITORING AND REPORTING PROGRAM, STATEMENT OF OVERRIDING CONSIDERATIONS, COMMUNICATION FROM CITY ATTORNEY, and ORDINANCE FIRST CONSIDERATION relative to establishing the Figueroa and Seventh Street Sign District pursuant to the provisions of Section 13.11 of the Los Angeles Municipal Code (LAMC), Item 10 on today's Council Agenda (CF 11-0106), BE AMENDED to PRESENT and ADOPT the attached additional Findings in support of adopting the Figueroa and Seventh Street Sign District.

PRESENTED BY


JAN PERRY
Councilwoman, 9th District

SECONDED BY



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March 29, 2011

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SUPPLEMENTAL FINDINGS IN SUPPORT OF ADOPTING THE FIGUEROA AND SEVENTH STREET SIGN DISTRICT

The City Council makes the following supplemental findings in support of the adoption of the Figueroa and Seventh Street Sign District (“Sign District”).

1. The development of the Arena and Los Angeles Sports and Entertainment District (“LASED”) projects have served as a catalyst for the removal of blight and unsafe conditions and for renewed interest and investment in the Central City as a key business, entertainment, and cultural destination.
2. Additional urban infill and public-transit oriented redevelopment, including hotels, multi-family residential, office and retail projects on and around Figueroa Boulevard up to and including the 7th Street Metro Station, are necessary to ensure the continued vitality of the Arena, LASED, and related projects, and to support the momentum which is transforming the Central City into a world class business, entertainment, and cultural hub.
3. Such infill projects require unique and vibrant signage both to attract visitors to the Central City area and to attract investment in transformative redevelopment projects.
4. In furtherance of this salutary purpose, on February 13, 2011, the City Council adopted a Motion directing the Planning Department to initiate proceedings to establish a Figueroa Corridor Signage Supplemental Use District (“Figueroa Corridor SUD”).
5. The Figueroa Corridor SUD under study covers a geographic area that includes several transformative projects, some of which are currently under review by the City, and some of which have existing sign regulations. A cohesive planning effort addressing signage throughout the Corridor study area would result in comprehensive policy serving to physically coordinate continued development and create a unified distinct character.
7. The Wilshire Grand redevelopment will be a key component of the Figueroa Corridor SUD, as well as a pivotal project supporting the Arena, the LASED, and the City’s efforts to continue the transformation of the Central City area.
8. The existing Wilshire Grand Hotel and Center is over 50 years old and has small, substandard rooms. The hotel is functionally obsolete. It is not economically or physically feasible to perform the substantial major capital improvements to renovate hotel rooms, mechanical systems, and base infrastructure, including electrical, plumbing, elevators, escalators, heating, ventilation and air conditioning systems to meet hospitality industry standards for hotels serving business and convention guests.
9. A February 16, 2011, letter from PKF Consulting USA to the City’s Chief Legislative Analyst Office states that a review of the Wilshire Grand’s financial statements from December 31, 2007 through 2010 has revealed that “Wilshire Grand Los Angeles has incurred net losses for each of the past four years and the extent of the losses has increased materially over the past two years. Net losses before Income Taxes have approximated \$5.8 Million for each of the past two years.” The property owner, Hanjin International Corporation, has announced that it intends to close the hotel in the near future, as early as December 2011.

10. The City Council finds that if the hotel closes without a viable redevelopment plan in place, the City's interests in traffic safety and community esthetics will be severely compromised. Indeed, the closure of the hotel without a viable redevelopment plan will create blight and dangerous conditions in the Central City area, counteracting the important progress the City has achieved with the Arena, LASED and related projects.

11. Hanjin International Corporation's redevelopment plan, which was approved by the City Council on March 9, 2011, proposes the construction of an iconic state-of-the-art, high quality, mixed-use, transit-oriented development. The entitlements include approvals for a 65-story office tower reaching 1,250 feet in height, a 45-story, four-star hotel reaching 750 feet in height, and a six-story podium structure.

12. The proposed project is comprised of a maximum 560 hotel rooms and/or condo-hotel units; 100 residential units; 1,500,000 square feet of office uses; 275,000 square feet of amenity areas including retail and restaurant uses, conference and meeting rooms, ballrooms, spa, fitness center, and ancillary hotel, residential, and office areas. The project will be constructed over eight levels of subterranean parking containing approximately 1,900 parking spaces.

13. The Central City presently lacks an adequate number of 4-star hotel rooms to support the City's convention center bookings and activities. As a result, the convention center fails to attract a sufficient number of large, national and international conventions and the City's investment in the convention center has been largely unsuccessful. The City Council finds that a new high quality hotel will allow the City to attract more and larger conventions, supporting the City's investment in the convention center, and will increase the Central City's reputation as an ideal location for major conventions, as well as a world class business, entertainment, and cultural hub.

14. This higher level of quality and service is also likely to result in increased average daily rates throughout the downtown hotel market, and will create demand for the numerous businesses in the Central City that support the convention center and hospitality industry. Market forces will thus be unleashed to counteract the forces of blight that have plagued significant portions of the Central City area in the past.

15. The project will also benefit the City as a whole. As the \$1.2 billion direct investment for this project multiplies through the City economy, project construction is projected to generate nearly \$2.0 billion in City economic activity and create 12,536 construction-related jobs. Once completed, the project is projected to create \$1.5 billion in annual economic activity for the City. Additionally, the office tower, which will be the first high-rise office tower developed in the Central City in over 22 years, will attract new major corporate headquarters to the City. (The Economic and Fiscal Impacts of the Wilshire Grand Redevelopment Project in the City of Los Angeles, April 2010, by HR&A Advisors, Inc.)

16. The project will also serve the City's interests in encouraging large-scale infill development in areas that are served by existing and future public transit infrastructure. The project is immediately adjacent to the 7th Street/Metro Center Station, one of the busiest transit centers in the Southern California region. This station is currently served by the Red Line, Purple Line, Silver Line, and Blue Line. The station will also be served by the Expo Line when

it opens. Both the Blue Line and the Expo Line will have their Central City terminus at this station. The station also acts as a major bus hub, serving many bus routes operated by Metro and other regional/municipal transit agencies including the Metro Silver Line, Metro Express buses on the Harbor Transitway, three Metro Rapid lines, 28 Metro Local lines, and commuter and local services from nine other agencies.

17. The project itself contains numerous programs to improve traffic conditions. For example, improvements will be made to the 7th Street Streetscape including (i) the 7th Street overpass over the Harbor Freeway and extending five blocks east to Olive Street, and (ii) the Wilshire Boulevard overpass over the Harbor Freeway. The improvements will provide a unified new streetscape with new sidewalks, street paving, street trees, street furniture, curb edge and gutters, relocated and consolidated bus stops and new sidewalk “bumpouts” to allow for sidewalk dining. Traffic flow will be improved and traffic and pedestrian safety increased. The streetscape improvements will be consistent with the Downtown Design Guide and Street Standards and will create an enhanced pedestrian environment. The project will support “Next Train/Next Bus” technology, which provides visual digital displays of real-time train arrival information, shown at the project site, nearby bus stops and Metro portals, and broadcast to internet-enabled cell phones and other digital devices. The project will provide a new “knockout” access panel within the project’s subterranean parking garage, permitting future connection to the 7th Street/Metro Center Station.

18. The City Council finds that unique signage, including Digital Displays, Scrolling Digital Displays, and Integral Digital Displays, and unique lighting, including Large Scale Architectural Lighting, and Integral Large Scale Architectural Lighting, are essential elements of the project. Such signs and lighting will result in a truly iconic development that will draw visitors, businesses, and both commercial and cultural activity to the Central City area.

19. Additionally, the inclusion of such signs provides strong support for the economic viability of the project. The City has commissioned an economic analysis of the proposed project which revealed that a transient occupancy tax subvention agreement is necessary to support the development. Even with the subvention agreement, there is still a significant multi-million dollar gap between the investment needed to complete the project and the anticipated revenues that the project will generate upon completion.

20. The City Council also finds that as a result of the lingering impacts of the Great Recession and the financial collapse that caused it, financing of development projects remains challenging for average development projects in the City, not to mention iconic development projects such as that which Hanjin International Corporation proposes. The City Council finds that the creation of a unique sign district, tied to carefully crafted development thresholds, will create a strong incentive to finance and complete this transformative, “generational” project.

21. While the unique sign regulations in the Sign District deviate in certain respects from the generally applicable regulations and policies the City has put in place to serve its interests in traffic safety and aesthetics (*i.e.*, such as the City’s prohibition on off-site advertising, freeway-facing signs, and certain limitations governing digital displays), the City finds that the signage is an essential component of the project, and the project taken as a whole will significantly further

the City's interests in traffic safety and aesthetics in the Central City area for the reasons discussed above.

22. The unique signage regulations will also further the City's interests in traffic safety and aesthetics in surrounding communities. The Sign District requires that billboard signs must be removed from the South Los Angeles, Central City or Westlake Community Plan areas before off-site signs may be installed on the integrated digital displays or scrolling digital displays. The sign district provides for two square feet of scrolling digital displays, and three square feet of integrated digital displays for every square foot of billboard removed. The City Council finds that this equation is necessary to compensate for the fact that integrated digital displays and scrolling digital displays are, by their nature, low-resolution signs requiring a larger format to display a message.

23. The City Council finds that it would be preferable to adopt this Sign District as part of the greater Figueroa Corridor SUD. The City, however, lacks the financial resources to expeditiously proceed with the environmental study for the greater Figueroa Corridor SUD, and given the tremendous extent to which this project will further the City's interests, the City Council finds that delaying this project is not a viable option. Past experience has, in fact, demonstrated that delay, in and of itself, can frequently kill even the best proposed projects.

24. Additionally, the Development Agreement for this project includes a community benefit wherein the developer will provide \$400,000 to support the environmental study for the Figueroa Corridor SUD. Thus, this project itself will assist the City in expeditiously bringing the Figueroa Corridor SUD to fruition.