

WESTWOOD NEIGHBORHOOD COUNCIL

February 9, 2011

Agenda Item #12

Motion to oppose proposed “P-3” 50-year lease of nine public parking garages:

Background: *The City Council is considering the Mayor’s “Public-Private Partnership” (P-3) proposal for a 50-year lease of nine public parking garages located in Hollywood, Westwood, Downtown L.A., Sherman Oaks, Studio City, Van Nuys, and on Robertson Boulevard to private institutional investors, to raise money needed to pay a limited number of city employees for nine months. The City has budgeted a projected contribution of \$53 million from P-3 to cover part of its current operating budget shortfall.*

“WHEREAS, the proposed P-3 transaction is very poor fiscal policy as the City is essentially selling revenue producing, capital assets to pay operating expenses, similar to the controversial sale of the State’s office buildings that was condemned by State Treasurer Bill Lockyer; and

WHEREAS, the City would be foregoing \$4.3 billion in revenue and \$3.5 billion in operating profits over the next 50 years in exchange for a one-time up-front payment of only \$53 million, based on the findings of the City’s own parking consultant, Desman Consulting; and

WHEREAS, the City would be prohibited for 50 years from acquiring or constructing any other public parking facilities or garages within a one-eighth mile of any of the nine garages; and

WHEREAS, the City has not considered other alternatives, including the retention of an experienced private operator, or securing a loan based on projected long-term revenue; and

WHEREAS, the City has failed to collect millions owed in parking taxes, parking tickets, and housing fees that would yield far more than the \$53 million needed to cover the budget; and

WHEREAS, the City has not analyzed the impact of the higher parking rates on the impacted business districts and surrounding communities; and

WHEREAS, the City has not developed a long-term solvency plan that would help analyze this proposed transaction, as called for in a May 5, 2010 *Wall Street Journal* opinion article by Mayor Richard Riordan, “Los Angeles on the Brink of Bankruptcy”:

WHEREAS, the City has not held adequate public hearings with adequate public notice on this proposed transaction, and continues to meet in secret closed sessions, denying the public access to basic information; and

WHEREAS, the City has not shown the common courtesy or respect to consult in advance with the impacted communities, including, but not limited to, local businesses and merchants, commercial property owners, business improvement districts, chambers of commerce, homeowner associations, and Neighborhood and Community Councils; and

WHEREAS, the City has refused to release pertinent information pursuant to a California Public Records Act request; and

NOW, THEREFORE, BE IT RESOLVED that the *(insert Neighborhood Council, Community Council, or other organization name here)* OPPOSES the City’s P-3 proposal to lease nine public parking garages to private institutional investors for 50 years in exchange for a one-time payment of \$53 million in order to preserve a limited number of city jobs for nine months, and resulting in

greatly increased parking rates in each of these nine garages; OPPOSES the sale or lease of any other city parking garages and/or parking meters; and SUPPORTS the continuation of existing programs in these garages that offer attractive short-term parking rates to allow those business districts to provide shoppers, movie goers, and visitors with parking that is competitive with parking available in other neighboring cities and shopping centers including Beverly Hills, Santa Monica, Culver City, West Hollywood, Pasadena, Century City, and the Westside Pavilion.”

Note 1: *The nine Public Parking Garages in the P-3 group (listed below) include a total of 8,398 public parking spaces. Each of these nine garages offers attractive short-term parking rates in order to provide shoppers, movie goers, patrons, visitors, and tourists with parking that is competitive with parking available in other neighboring cities (including Beverly Hills, Santa Monica, Culver City, West Hollywood, Pasadena, as well as in Century City and the Westside Pavilion). Rates vary depending on local circumstances, but all offer attractive rates to the public (i.e., ArcLight/Cinerama Dome: \$2 for the first four hours with validation; Hollywood & Highland: \$3 for the first four hours; Broxton Avenue: first two hours free from 8 a.m. to 6 p.m. and a \$3 flat rate after 6 p.m.)*

Hollywood would suffer severely as 5,109 of the 8,398 spaces in the entire P-3 proposal are located in the revitalized Hollywood area. Westwood Village would lose 100% of its inventory of short-term free parking which is located in a parking garage that was constructed in 1997 using revenue collected entirely from Westwood Village’s own 5117 parking meter fund, and which parking is necessary to allow Westwood Village merchants to compete with surrounding cities and shopping centers (Beverly Hills, Santa Monica, Culver City, Century City, Westside Pavilion) that offer as many as 4,000 free spaces compared to just 366 spaces in Westwood Village. Further, the City would be barred for 50 years from establishing any other public parking facilities within a one-eighth mile of any of the nine garages. Many of the affected shopping districts would suffer irreparable harm resulting from the loss of these irreplaceable municipal assets being placed under private investor control for 50 years.

Hollywood:

Hollywood & Highland Garage – CD 13 – 3,006 spaces
ArcLight/Cinerama Dome Garage – CD 13 – 1,717 spaces
Cherokee Avenue Garage – CD 13 – 386 spaces

Westwood Village:

Broxton Avenue Garage – CD 5 – 366 spaces

Downtown L.A.:

Pershing Square Garage – CD 9 – 1,590 spaces

Sherman Oaks:

Dickens Street Garage – CD 5 – 198 spaces

Studio City:

Ventura Boulevard Garage – CD 2 – 397 spaces

Van Nuys:

Friar Street Garage – CD 6 – 237 spaces

Robertson District:

Robertson Boulevard Garage – CD 5 – 334 spaces

Note 2: *this motion opposing the P-3 proposal, or a substantially similar motion, already has been approved by the following organizations:*

- Central Hollywood Neighborhood Council
 - Coastal San Pedro Neighborhood Council
 - Comstock Hills Homeowners Association
 - Council District 11 Transportation Advisory Committee
 - Hollywood Chamber of Commerce
 - Hollywood Entertainment District Business Improvement District
 - Hollywood Property Owners Alliance
 - Holmby-Westwood Property Owners Association
 - Neighborhood Council Budget Advocates
 - North Westwood Village Residents Association
 - Residents of Beverly Glen
 - Save Westwood Village
 - Sherman Oaks Neighborhood Council
 - Studio City Neighborhood Council
 - Sunset & Vine Business Improvement District
 - Westside Regional Alliance of Councils Board
 - Westwood Community Council
 - Westwood Hills Property Owners Association
 - Westwood Homeowners Association
 - Westwood Neighborhood Council
 - Westwood South of Santa Monica Boulevard Homeowners Association
 - Westwood Village Business Association
 - Westwood Village Improvement Association
- (Partial listing, in formation)*

Note 3: *If P-3 is passed by the City Council, it will provide only enough funds to save a limited number of public employee jobs for just nine months. To raise the additional funds needed to cover the city's budget deficit for this year and beyond, the Mayor's next plan reportedly is to sell or lease the City's parking meters, possibly additional public parking garages, the Convention Center, the L.A. Zoo, one or more airports, as well as other irreplaceable municipal assets. These nine garages are just the first step in the process. Your neighborhood, your parking meters, or your garage could be next.*

Note 4: *Each Neighborhood Council, Community Council, Business Improvement District, Chamber of Commerce, Homeowner Association or other organization that adopts this motion is requested to: (1.) Contact your local Councilmember to inform them of your organization's vote, and ask them to vote against P-3 at City Council; and (2.) For all Certified Neighborhood Councils, to also file a "Community Impact Statement" with the City Clerk's Office (through DONE) opposing P-3 in the official City Council File. Any Neighborhood Council that needs assistance in this process (it involves filing the statement online, using a password), is invited to contact Stephen Resnick, Secretary of the Westwood Neighborhood Council, who can assist you in this process at: stephenresnick@westwoodnc.net*

January 4, 2011