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# Santa Monica Daily Press

LEAVES ARE THE KEY  
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Since 2001: A news odyssey

THE GET HER DONE ISSUE

## Council gives thumbs up to Travelodge

BY MELODY HANATANI

Daily Press Staff Writer

CITY HALL Motel owner Michael Farzam is a happy man after the City Council on Tuesday granted his three wishes to move the long-stalled Travelodge project forward.

After hearing recent concerns from the developer that he could be hit with a seven-figure fee for removing low-cost lodging, the council decided to waive the penalty in lieu of an agreement that the rooms at the new motel would remain affordable and average \$172 a night for the year.

The council also acted on two appeals that could've greatly altered the project. Both decisions ended up in favor of the developer.

The estimated \$40-\$50 million project would consolidate the existing Travelodge and Pacific Sands Motel on Ocean Avenue into a four-story limited amenity hotel that includes ground floor retail and underground parking.

The mitigation fee, which Farzam estimated would be about \$1 million, is mandated under an 18-year-old ordinance that penalizes developers for removing cheap accommodations. It was passed amid concerns the city was headed toward gentrification with expensive hotels popping up along the coastline.

Farzam, whose family has been in the motel business for 30 years, pointed out that the fee should be waived because he was in fact expanding the number of low-cost rooms, adding that the penalty could hurt financing opportunities.

"We're very happy with the outcome," Farzam said on Wednesday. "We think it's a very worthy project for the community and will serve the city very well."

The agreement requires that the rooms average about \$172 throughout the year with the figure adjusted to inflation annually. The developer is also required to report to city officials every year to ensure the conditions are being met.

The council also denied a challenge by a neighboring building owner to the east who argued the motel would block the ocean view from Santa Monica Place and accepted an appeal by Farzam in response to a

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## Dropping the ball?

City staff to study if millions in fees should have been collected

BY MELODY HANATANI

Daily Press Staff Writer

CITY HALL As city officials continue to blast a measure that would limit commercial development, arguing Proposition T on the November ballot would result in lost revenue, those in support have in recent days unearthed information that they believe prevented \$45 million in development fees from being collected.

The claims by proponents of Prop. T were brought to light during a City Council

discussion on Tuesday about ways in which City Hall could measure the performance of the transportation system and evaluate traffic growth in the community.

City staff brought the matter before the council to ask permission to impose a traffic impact fee on developers and conduct a study that would establish the rate.

It was then that several members of Santa Monica Coalition for a Livable City, which authored Prop. T, criticized the latest move toward developing a mitigation fee and conducting a study, pointing out that

while the council took a similar action in the 1990s, no fees were ever collected.

The issue concerns the adoption of an ordinance in 1991 that established a traffic mitigation fee and the council's authorization of a study in early 1992 that would've set the amount. While the council permitted the city manager at the time to prepare a nexus study — which looks at the relationship between the assessment of a fee and its impact — whether or not that

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### DIFFERENT STROKES

Scientific illustrator Cleo Vilett, 36, paints a leatherback sea turtle earlier this week for the Santa Monica Pier Aquarium's new environmental art exhibit.

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# City Hall looks to develop report card for traffic

FROM FEE PAGE 1

report was ever conducted remains unclear. "They couldn't have done anything with the ordinance because they would have had to have done a study of what were all the improvements in the city," Planning and Community Development Director Eileen Fogarty, who was not with City Hall in the '90s, said.

Supporters of Prop. T reached the \$45 million figure based on an estimate of more than 9 million square feet of development taking place since the time the ordinance would've been activated. The group calculated that City Hall might have charged about \$5 a square foot, modeling after a similar developer impact fee in the city of San Francisco.

"How can we believe that City Hall needs more development money when it hasn't even collected the \$45 million it is entitled to?" Diana Gordon, the co-chair of the coalition, said. "How can you tell voters that (the measure) will hurt us in the future when you have more commercial growth and you never collected the \$45 million from all the growth approved which generated all the horrible traffic?"

City Hall is currently looking into whether the nexus study was ever done, and is evaluating the group's estimate. Kate Vernez, assistant to the city manager on governmental relations, pointed out that a nexus study takes several years to conduct and it would've coincided with the Northridge Earthquake, which could have monopolized city staff's time.

"The focus for the next two years was on all of the recovery effort," Vernez said.

Fogarty calculated that City Hall has collected about \$11 million through development agreements since 1996. The figure doesn't include traffic and other improvements that developers are obligated to make under the agreements.

"Hopefully, we can shed light on the other numbers that have come up," Fogarty said.

City officials, including most of the councilmembers, have claimed that Prop. T, which would limit commercial growth in the city to 75,000 square feet a year, would hurt city revenues. City officials are also backing a ballot measure that would expand and update the telecommunications portion of the Utility User's Tax. If the UUT update is not approved, city officials argue that millions in revenue could be at risk.

During the council meeting, Councilmember Ken Genser refuted that the amount of foregone fees would be so high, pointing out that a bulk of the biggest projects

**HOW CAN WE BELIEVE THAT CITY HALL NEEDS MORE DEVELOPMENT MONEY WHEN IT HASN'T EVEN COLLECTED THE \$45 MILLION IT IS ENTITLED TO?"**

Diana Gordon  
Co-chair, Coalition for a Livable City

in the city — the Water Garden and Plaza at the Arboretum — was approved before the ordinance was enacted.

But Gordon said the ordinance states that developers could not receive a certificate of occupancy unless it paid the fee.

"Those developers got off free and those are some of the biggest developments in the city's history," she said.

Mayor Pro Tem Richard Bloom spoke against using staff time to dig up the past, saying the council should instead look to the future.

"Sure we could talk ourselves silly over what happened in the past," he said at the meeting. "We need to put our effort into this community."

The intent of the meeting was for the staff to present tools to measure the performance of the city's transportation system and craft impact fees to ensure developers pay their fair share. Fogarty during the meeting likened the performance tools to the Sustainable City Report Card, which grades how City Hall is doing with working toward achieving its goals.

"We can come back annually to the city where we are on measurement of traffic and transportation goals," she said. "It will also enable the city to identify a threshold and significance criteria."

The program will also allow City Hall to put into place a braking mechanism when the thresholds are exceeded. The model will also look at peak traffic hours as well as how traffic is affecting the character of the neighborhood.

"Traffic strategies are important only in so far as they coexist with development," Fogarty said. "If something is not in accordance to the plan that council has laid out, brakes can be put on future development."

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## Grant to help older Westside vets transition

FROM GRANT PAGE 3

mer U.S. Navy serviceman.

Although the grant money will fall under the Volunteers of America program VS 21, which stands for veterans over 60 in the 21st Century, the rotary house program is a new program. Howat said getting to the veterans before they hit the pavement is very important in preventing recidivism and the program will fill that need.

"Once they pay their debt to society we'll be there to pick them up," Howat said, further elaborating that this is part of the founding philosophy of the organization. "We really do care about the veterans."

Even with a slumping economy the organization is still able to find jobs for the veterans re-entering society, said Howat.

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