



Santa Monica Coalition for a Livable City

STEERING

Date: May 20, 2010

COMMITTEE

& ADVISORS

To: The City Council

Re: Item 8-B (May 25, 2010): Proposed Development Agreement between Maxser and Company and the City of Santa Monica for 710 Wilshire Blvd. and the Lack of Real Public Benefits.

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For several years, SMCLC has spoken against Development Agreements, which enable developers to build larger projects than they could under the current zoning code. Development Agreements make a sham of zoning as they allow wealthy developers to play by a different set of rules than the rest of us: if you don't like the zoning, you can change it. Additionally, residents don't have a voice when these backroom deals are made; deals that profoundly affect their neighborhoods.

If the city is to continue granting Development Agreements, it should at least grant them sparingly and most importantly, in exchange for REAL public benefits, as they were intended. Additionally, representatives of the community should be at the table when these so-called public benefits are being discussed so they can provide meaningful input.

Currently, Maxser and Company is seeking a Development Agreement for a 165,000-square-foot project that greatly exceeds the heights and densities allowed by current code. In exchange for this privilege, Maxser and Company is offering almost no public benefits. So far they have proposed items such as making community rooms available, trying (but not committing) to hire Santa Monica residents as employees, building retail space (presumably a benefit to the developer) and looking for shared parking opportunities.

These "public benefits" are neither real nor significant.

Here is what we believe actual public benefits would look like:

1. The city has always held the fair treatment of workers to be a high priority. Given the financial benefit that a Development Agreement is providing to the developer, any hotel on the property should be required to be unionized.
2. Hotels are heavy water users. Santa Monica recently increased residents' water rates because of a water shortage and the need to increase the city's water infrastructure. Allowing the developer to build with greater density will increase the city's water shortage. To offset this problem, the developer should be required to pay

Tier 5 water rates for all water usage.

3. Granting a density bonus to this project is going to create more traffic in an already congested area, which will decrease Santa Monica residents' quality of life. Thus, the developer should incur the cost of mitigating the impact this additional traffic will cause. The developer should pay the traffic mitigation fee that was previously approved in the Santa Monica code but never implemented because of the failure to complete the nexus study.

4. The 710 Wilshire property is across the street from Reed Park, a large gathering for Santa Monica's homeless population. The developer should agree to help the homeless that live in Reed Park. Such help should include providing office space to organizations that provide services to the homeless, or sharing the hotel's kitchen with those who feed the homeless.

5. The city has a shortage of funding available for its public schools. A major unfairness in current law is that a giant hotel pays the same flat parcel tax as the smallest condominium. This inequity can be addressed by contractual agreement. For instance, the developer could be required to donate to the school district the gross proceeds of one day per year for each of its hotel rooms.

Santa Monica has a poor record of granting Development Agreements for little in return. Our city is an attractive place to build. We should not sell our community short by settling for the crumbs developers offer. If developers want to violate our city's zoning laws, we should demand in return something real, tangible and beneficial to our community. And we should insist that residents— those actually impacted by increased development— are at the table when those benefits are negotiated.

Thank you.

Diana Gordon

Cc: Ron Gould

Eileen Fogarty

All Santa Monica Neighborhood Associations