

Jomsky, Mark

From: Christine Celata <ccelata@sbcglobal.net>
Sent: Monday, May 22, 2017 10:10 AM
To: Kennedy, John; Jomsky, Mark; Madison, Steve; Masuda, Gene; Tornek, Terry; cityclerk; McAustin, Margaret; Hampton, Tyron; Gordo, Victor; Wilson, Andy; action@savepasadenaciviccenter.org
Subject: NO public subsidy for KHP Hotel, Need a new solution that enhances our Civic Center

Dear City Council,

I am alarmed that you would consider a further subsidy for this hotel. We just don't need another hotel, and I can't believe you would bring even more traffic and people our city. And the water use alone should prohibit this. Please DO NOT approve the Economic Subsidy Report and DO NOT grant any Public Subsidy of any kind to KHP Pasadena III, LLC to help finance their hotel project.

The YWCA/KHP Hotel project, as the Council acknowledged on April 3rd, has grown worse and worse and is a bad deal for the city with or without the Subsidy.

The hotel is poorly designed and is not worthy of our magnificent Civic Center.

No amount of tweaking by the Design Commission will fix the poor design because its fundamental orientation, footprint, and massing are flawed.

Please modify and approve the staff recommendation #3 to find a new solution, but one that first and foremost, focuses on the Civic Center, of which the rehabilitation of the YWCA Building is only one aspect, and begins with a robust public process. There should also be engagement of a professional urban land use planning firm with expertise in urban civic centers and historic preservation so together with public input, we can find the RIGHT solution that best serves the Citizens of Pasadena and that enhances our Civic Center and fulfills the Bennett Plan as approved by voters in 1923.

We should NOT repeat the mistake made in 2013 and begin with simply sending RFP to private developers to lead the process.

The Civic Center is the symbol and physical manifestation of the people of Pasadena's Civic accomplishments, and the end result of any part of the Civic Center should be the work of the people of Pasadena.

Jomsky, Mark

From: Mem4321@aol.com
Sent: Monday, May 22, 2017 12:05 PM
To: Jomsky, Mark
Subject: Comments for May 22 City Council agenda item regarding YWCA building

Mark, please send the following communication to the Mayor and Council. Thanks.

Darrell

Dear Mayor and Members of the City Council:

I have read the staff report and urge the Council to approve a version of the "start over" option in the staff report. It is time to look for a new development, given the amount of subsidies that the City is now considering. Like the beautiful Heritage Square senior housing project on N. Fair Oaks, which required much patience by the City, I am confident that a redo in the civic center will result in a worthy project, if it is given sufficient time.

Recommendation number three does have some issues that are not addressed in the staff report. First, I urge the City Council to rescind the decision to declare the Garfield/Holly open space to be surplus property for reasons that I have outlined in several letters to the City Council in recent years. Any new developments should not include the public open space that provides the character of the civic center.

Second, it seems too early to be talking about scheduling another RFP. I believe the City should conduct an outreach process with citizens to consider optional uses and outside funding sources before an RFP is issued.

In addition I wish to reiterate my recommendation against approving the subsidy report. For all the reasons brought out in the April 3 hearing by several speakers and writers, the subsidy report is flawed and should not be approved. For example, I wrote and spoke at the hearing about what I see as a fallacious calculation of Transient Occupancy Tax, which is by far the biggest justification for the proposed subsidies. The subsidy report assumes every dollar of TOT collected by the new hotel is new money for the City of Pasadena. There is no justification for that assumption in the report. On the contrary, we all know that some, probably most, of the visitors would stay at another hotel if this hotel were not built. Some falsely characterized my April 3 speech as speaking about a "zero sum game." However I never said nor implied that. I said there needs to be a study as to how much NEW TOT is to be expected from a new hotel. It is not 100% of the TOT the hotel collects, nor is it 0%. Who knows what it would be? We need to find out before approving a hotel subsidy.

Thanks very, very much for putting a pause on the project in April. Thanks for committing to maintaining the YWCA building in your recent Capital Improvement budget, and thanks for considering my points at this time.

Sincerely,

Darrell Cozen
14-year Pasadena City Planner and recent Member of the Historic Preservation Commission

PASADENA CIVIC CENTER COALITION

May 22, 2017

By Email (mjomsky@cityofpasadena.net)

City Council
City of Pasadena
175 N. Garfield Avenue
Pasadena, CA 91101

Re: Agenda Item #14, May 22, 2017 City Council Meeting: Discussion of the Future Development of the YWCA Building Located at 78 N. Marengo Avenue.

Dear Honorable Mayor Tornek and Members of the City Council,

The Pasadena Civic Center Coalition (Pasadena CCC) has reviewed the Agenda Report dated May 22, 2017 and the options identified that the City could pursue to develop the YWCA Building. With respect to the staff recommended options, first, we ask that you direct staff to undertake a Civic Center planning process as follows:

1. At a minimum, set aside and vacate the declaration of "Parcel 3" as surplus property;
2. Initiate a search for a professional urban land use planning firm with expertise in civic center design, historic preservation, and landscape architecture to identify a range of (1) alternative building and landscape designs; and (2) civic, educational, and/or cultural uses; and
3. With the selected land use planning firm, commence the planning process, to include:
 - A. Robust, community outreach to fully engage citizens in visioning and planning for this city block in the heart of the Civic Center, including uses;
 - B. The objective to prioritize the Civic Center as a whole, with the rehabilitation of the historic YWCA building, the contemplative setting of the Pasadena Robinson Memorial, and the public open space, "Parcel 3," serving as the approach to City Hall and a public park, as key elements of this civic space; and
 - C. Preparation of a Cultural Landscape Report for the Pasadena Civic Center National Register Historic District.

The "Competitive Selection" process staff recommended might be undertaken, **but only after, and as deemed appropriate by**, the above-described Civic Center planning process.

Second, we ask that you (1) not make the finding that there are no changes to the Project, changed circumstances, or new information which would trigger further environmental review; and (2) not adopt a motion accepting and approving the Economic Development Subsidy Report pursuant to Government Code Section 53083 for a Ground Lease Agreement by and between City of Pasadena and KHP III Pasadena LLC.

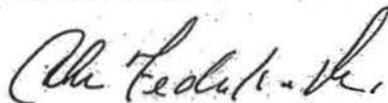
- **Public Subsidy of increased project costs and City net revenues are unsubstantiated.** While some additional information has been provided with

respect to cost increases of certain budget line items, no additional information has been provided regarding the conclusion that the City subsidy is warranted due to increased project construction costs, or the analysis of net revenues to the City. Therefore both are still not adequately supported. As such, we continue to have the same comments and concerns stated in our attached letter dated April 3, 2017, and ask that before considering this option, you respond to those questions and concerns.

- **Do changes to scope and design trigger the need for additional environmental review?** The additional information on the project cost increases remains inadequate to determine whether the "revision to project scope and design," (\$11.58 million) would trigger further environmental review. Note, paragraph 3 under "Background" on page 2 states "costs were adjusted to reflect the unconventional massing of a new building..." However, other than the general description of this "unconventional massing," and certain other changes, no detail (whether by detailed description, renderings, and/or plans), or the date those revisions were made, is provided. As such, it is unclear whether these revisions were part of the "Project" studied in the Final EIR or if their potential environmental impacts need to be studied now. The cost increase of \$11.58 million, more than 20% of the original \$53.89 million, attributed to these revisions, is significant. Therefore, the details of all revisions to project scope and design, and/or date(s) when made, should be disclosed to the environmental consultant to determine whether further review is required.

The Pasadena CCC again urges the City Council to uphold the City's goals and objectives outlined in the General Plan and to recognize the Civic Center for what it is --- a masterpiece of the City Beautiful movement. Planning efforts and revenue analysis must first and foremost consider the Civic Center as a whole -- its monumental buildings, memorials, ceremonial boulevards, and garden-like setting. Before any subsidy can be evaluated, it remains necessary to fully assess the City's net economic benefit of the subsidy and provide the good-faith effort at full compliance and disclosure required by Government Code 53083. Further documentation and analysis is still needed to justify any subsidy for this project and the need for taxpayers to bear the market risk of a private commercial real estate project, as well as to incur the loss of public parkland and open space in the Civic Center.

Very truly yours,



Christine Fedukowski, on behalf of the Pasadena Civic Center Coalition

Steering Committee Members: Darrell Cozen, Matthew Dillhoefer, Jonathan Edwards,
Christine Fedukowski, Meena Pennington, Marsha V. Rood, and Ann Scheid

Attachment/

Pasadena Civic Center Coalition Letter dated April 3, 2017

PASADENA CIVIC CENTER COALITION

April 3, 2017

By Email (mjomsky@cityofpasadena.net) and By Hand

City Council
City of Pasadena
175 N. Garfield Avenue
Pasadena, CA 91101

Re: Agenda Item #10, April 3, 2017 City Council Meeting: Comments on Economic Development Subsidy Report pursuant to Government Code Section 53083 (Subsidy Report) for a Ground Lease Agreement by and between City of Pasadena (City) and KHP III Pasadena LLC (KHP)

Dear Honorable Mayor Tornek and Members of the City Council,

The Pasadena Civic Center Coalition (Pasadena CCC) submits the following comments and asks that you:

1. Not adopt a motion accepting and approving the Subsidy Report; and
2. Disclose the revisions to the project scope and design that contributed to the 64% cost increase and determine whether those revisions would trigger further environmental review.

Major concerns of the Pasadena CCC regarding the Subsidy Report are that its:

1. **Conclusion that the City subsidy is warranted due to increased project construction costs, is not adequately supported:**
 - a. The Subsidy Report reasons that while the developer return is below market based on current conditions, because the developer may believe there is significant economic upside in the future for it and its investors, the City subsidy is warranted. How does potential increased economic benefit to private investors justify additional up-front City subsidy and investment?
 - b. Furthermore, the Subsidy Report states the probability of repayment of any part of the City's \$8.3 million paid to acquire the YWCA building and site, is very unlikely based on current and projected market. As such, what was to be a required minimum \$8.3 million contractual lease payment obligation of the developer to the City, one of the two most important City objectives and

reason for its August 15, 2016 approval, is now gone. Instead, the City's sole source of repayment of its taxpayer funded up-front investment would be from project economics, and only if and when, the project out-performs the market by approximately 45% (based on assumptions in Keyser Marston Associate's (KMA) feasibility review dated March 23, 2017).

- c. As such, the proposed subsidy merely transfers market risk to the City from the private developer in order to provide the private developer and its investors the potential to benefit in project upside at the expense of the taxpayers today.

2. Analysis of benefit to the City is not adequate:

- a. It does not subtract the City's required subsidy and up-front investment (estimated KMA to be approximately \$14.1 million, consisting of acquisition cost of YWCA building and site, plus 136 off-site parking spaces) from estimated TOT, sales tax and property tax revenues; nor does it include the value of Parcel 3 (the public open space) in its estimate of City required subsidy and up-front investment;
- b. It does not include a city-wide net absorption analysis in estimating potential future TOT and sales tax revenues; nor a sensitivity analysis assuming below-market, at-market and above-market ADR and occupancy;
- c. It does not provide an alternative analysis to consider a hotel flag/operator other than "Kimpton," while stating any change in hotel flag/operator would have a significant material affect;

3. Analysis of Project Costs and Project Increases is not adequate:

- a. Overall analysis does not sufficiently detail or support project costs or increases (over the life of the project and/or since August 2016). For example, it states increases are due to revisions in scope and design, inflation, and prevailing wage. However, other than attributing 23% of the \$40 million increase to prevailing wage, it does not detail what increases are due to inflation and revisions to project scope and design;
- b. The analysis fails to disclose the revisions to the project scope and design. The remaining \$30.8 million in increases could mean there are substantial revisions to the project that must be disclosed and potentially analyzed in a subsequent environmental review document; and

Honorable Mayor Tornek and Members of the City Council
April 3, 2017

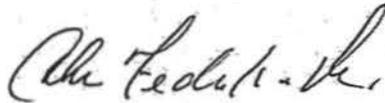
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- c. Staff Report does not identify specific change in Prevailing Wage law that triggered Prevailing Wage requirement between August 2016 and January 2017.

The Pasadena CCC urges the City Council to uphold the City's goals and objectives outlined in the General Plan, Central District Specific Plan, and other relevant plans and policies. To truly assess the City's net economic benefit of the subsidy and provide the good-faith effort at full compliance and disclosure required by this Government Code 53083 requires further documentation and analysis to justify any subsidy for this project and the need for taxpayers to bear the market risk of a private commercial real estate project, as well as to incur the loss of public parkland and open space in the Civic Center.

Thank you for your consideration of these comments.

Very truly yours,



Chris Fedukowski
On behalf of the Pasadena Civic Center Coalition

Jomsky, Mark

From: Amy Futa <amy.futa@yahoo.com>
Sent: Monday, May 22, 2017 11:27 AM
To: Jomsky, Mark
Subject: Fw: Boutique hotel in the Civic Center

Dear Mr. Jomsky,

Please place this email in the official record. Thank you.

Amy Futa

----- Forwarded Message -----

From: Amy Futa <amy.futa@yahoo.com>
To: "ttornek@cityofpasadena.net" <ttornek@cityofpasadena.net>; "thampton@cityofpasadena.net" <thampton@cityofpasadena.net>; "JohnJKennedy@cityofpasadena.net" <JohnJKennedy@cityofpasadena.net>; "gmasuda@cityofpasadena.net" <gmasuda@cityofpasadena.net>; "vgordo@cityofpasadena.net" <vgordo@cityofpasadena.net>; "smadison@cityofpasadena.net" <smadison@cityofpasadena.net>; "awilson@cityofpasadena.net" <awilson@cityofpasadena.net>
Sent: Sunday, May 21, 2017 7:14 PM
Subject: Boutique hotel in the Civic Center

Dear Mayor and City Council members,

I have only recently learned of the latest proposal to renovate the YWCA building in our unique and historic Civic Center. The plan to build a private so-called boutique hotel that would take away the surrounding green space and allow the construction of a 6-story tower would be a permanent desecration of City Hall, the most beautiful building in Pasadena and among the most beautiful city halls in the country.

While I understand that the City needs to recoup the purchase cost and to pay for a restoration of the YWCA, the latest proposal is a short-sighted and unacceptable giveaway to the developer. Personally, I oppose any commercial building, tasteful or not, in the Civic Center: it is the people's space, like the National Mall, and inviolate in the same way. Look at what happened to that grotesque Pasadena mall that once obstructed the view of the Civic Auditorium. Even the Paseo, its latest, more attractive, iteration, doesn't seem to be doing well either, though there are hopes that the boutique hotel under construction there will breathe life into that forlorn ghost town of shops. How can you be sure that the proposed hotel, subject to the vagaries of the economy and its own hotel management, won't be a financial white elephant as well as an eyesore? And how many boutique hotels do we need, anyway?

There are alternatives out there besides commercial development, and it requires wise and resourceful leadership to explore them. I haven't, for example, heard any talk of a bond or tax, and I have spoken to many Pasadenans who would be very willing to help fund the YWCA project in this manner.

I see that for tomorrow's council meeting, this issue is item 14 on a 17-item agenda. Does that mean it will be up for discussion at midnight, when concerned citizens will have given up and gone home? I hope that is not an avoidance tactic.

Please do not sacrifice our Pasadena history to short-term economic needs. I like to think there are a few places left where money isn't king.

05/22/2017
Item 14

Sincerely,
Amy Futa
1271 Mar Vista Avenue
Pasadena 91104

Jomsky, Mark

From: 80 N Raymond HOA <80.n.raymond.hoa@gmail.com>
Sent: Monday, May 22, 2017 11:02 AM
To: Kennedy, John; Jomsky, Mark; Madison, Steve; Masuda, Gene; Tornek, Terry; cityclerk; McAustin, Margaret; Hampton, Tyron; Gordo, Victor; Wilson, Andy; action@savepasadenaciviccenter.org
Subject: NO to KHP Hotel

Council Et al-

All 36 owner members of the 80 N Raymond HOA are opposed to any subsidies for the KPH project and the project itself. You're getting played by KPH, let them walk and look for other LOCAL (CA or US) opportunities which would most certainly be there given the current subsidies you are considering for KHP.

Respectfully,

The homeowners at 80 N Raymond Ave.

05/22/2017
Item 14