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## NEWS

### At the Center of It All

#### **Carol Schatz Hits Two Decades of Growing Downtown at the Central City Association**

by Jon Regardie, Executive Editor

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DOWNTOWN LOS ANGELES - Carol Schatz joined the [Central City Association](#) on July 2, 1990. At the time, Downtown Los Angeles was a 9-to-5 community facing the start of a recession and an exodus of Fortune 500 companies. By the time Schatz became president and CEO five years later, the CCA claimed fewer than 100 members and had a budget of \$750,000. Its cash reserves were at about \$30,000.

Two decades after her arrival, the lobbying and business advocacy organization is a powerful force in City Hall, and Schatz is its public and famously tenacious face. She has played a hand in almost every major aspect of Downtown's tremendous growth, from spearheading the [Downtown Center Business Improvement District](#) (where she is also president and CEO) to helping create the adaptive reuse ordinance, which led to a housing renaissance. Throughout that period, the CCA has expanded exponentially; today it boasts 450 members, a \$2.3 million budget and \$1.8 million in reserves; Schatz tracks those numbers weekly.



Carol Schatz is president and CEO of the Central City Association, a lobbying and business advocacy organization with 450 members. July 2 marked her 20th anniversary with the CCA. Photo by Gary Leonard.

Schatz, 62, is a native Angeleno who attended Berkeley and Loyola Law School. Before joining the CCA, she worked for the Federal Savings and Loan Insurance Corporation, overseeing the liquidation of assets of failed lending institutions. Last week she sat down with Los Angeles Downtown News to discuss her tenure with the CCA, politicians such as former Mayor Richard Riordan, and why an ability to fight is a key part of the job.

**Los Angeles Downtown News:** *How did you wind up at the CCA?*

**Carol Schatz:** I was at FSLIC, and then FLSIC got subsumed into the Federal Deposit Insurance Corporation. They offered me a job in Orange County and I refused to go, and applied for a job at CCA, which I had never heard of.

**Q:** *What was your role early on?*

**A:** I was the director of legislative affairs. I was the advocate, I was the lobbyist, and we were dealing primarily with city issues. In 1995 I became the first woman to run CCA.

**Q:** *Let's go back to 1990. Forget the spin you may have used at the time: What was Downtown like then?*

**A:** Pathetic.

The recession began in late 1990, and there was no life on the street. There was no retail to speak of. There were no restaurants. The recession began and it was the quintessential 9-5 Downtown. If you worked Downtown you came in at 9, you left at 5 and maybe you had a subscription to the Music Center and that was it. So it wasn't a pretty place.

**Q:** *What was the state of CCA and its status in the city at the time?*

**A:** CCA, immediately prior to the early '90s, was a quintessential good old boys network. It was powerful within the confines of that CEO network, but I don't know how much clout it had in City Hall.

**Q:** *In terms of really moving Downtown forward, what was the first major piece? Was it launching the DCBID?*

**A:** No. Two things. It was the Figueroa Corridor Initiative, trying to tie USC into Downtown and creating a more vibrant corridor there. It was also re-creating the Civic Center Authority.

[Previous CEO Don] McIntyre had gotten involved in the International Downtown Association. I went to some of the conferences and that's where I learned about business improvement districts. I learned that every real downtown that had been successful in revitalizing itself had a business improvement district as a funding mechanism. So the first step in creating the BID was to get our then state assembly member, Louis Caldera, to author legislation that allowed for a property-based BID, because California had no authorizing legislation at the time. This was 1994. But 1995 was in the middle of this terrible recession, and the property owners in the central part of Downtown just were not interested at that moment because they were hurting so badly.

So we got the legislation through and I waited until I thought we could re-introduce the concept, which we did at the end of 1996. Then we worked on it all through 1997, and the BID began in January of 1998.

**Q:** *How important was that in terms of where Downtown is today?*

**A:** I think the BID has been absolutely instrumental in the revitalization that we've seen. Having an organization that was devoted to the physical infrastructure of our area, making it safe, making it clean and then beginning to try to change the perception was critical.

**Q:** *With perspective, we see the mid to late '90s was the key for so much. There was the effort to get the BID going, the work on adaptive reuse and getting Staples Center approved.*

**A:** That's exactly right. Staples Center opened in October 1999 and the adaptive reuse ordinance passed in the spring of '99. That relationship of creating incentives for residential development, then creating an activity center that would be a destination was critical.

**Q:** *The adaptive reuse ordinance had to be a gamble. No one could know what would happen.*

**A:** We started with this half-day seminar where we brought in city departments that were critical, and the L.A. Conservancy. This was after I brought the concept back from New York. When it passed in '99 I simply had no idea if it was going to be utilized or not. We were involved with all the city departments; it was Andrew Adelman who was heading up Building & Safety under Riordan who took the bull by the horns and pushed it through the rest of the city departments, to his credit.

**Q:** *And [Hamid Behdad](#) was in charge of implementing it.*

**A:** That was after Mayor Hahn was elected, and it was probably a year or two before Hamid was put in place to coordinate all this, and his impact was huge.

**Q:** *What would you consider your most significant accomplishment at CCA?*

**A:** I would say the adaptive reuse ordinance. I would say creation of the BID. I would say sort of changing the perception of Downtown Los Angeles. I would say fighting some policies that would have made it very difficult for Downtown's housing boom to take place, because too often we find ourselves fighting policy that sounds like a great thing, but can be very deleterious.

**Q:** *Are we talking about the Inclusionary Zoning ordinance, which would have required a level of affordable housing in most residential development?*

**A:** Exactly. In Downtown it just would have crippled us.

**Q:** *Would it have been that bad?*

**A:** Yes, because it was such a fledgling market in an area where no one, except maybe Geoff Palmer, saw that there was a market here. No one in the city was looking at Downtown as a place to invest in housing. So if you had requirements that made it difficult to invest it would have been difficult throughout L.A., but it would have been worse in Downtown because it was a market that was untested. If it applied in West L.A. everyone knew that West L.A. real estate was prime and that wasn't going to change, but then to do it in a market and have to absorb that requirement? Wouldn't have happened.

**Q:** *What has been your most difficult or frustrating issue?*

**A:** How difficult it is to get things through the city. The frustration that my developer members have had in getting things to move. L.A. seems to succeed in spite of itself, but it's just so hit and miss.

In the early '90s I felt like we would move forward an inch and then get swatted back about five feet. It's just so hard to get things done in this city that it sometimes takes your breath away.

**Q:** *A key of CCA is its relationships with politicians and its ability to move pro-business legislation forward. Which*

*politicians, current or past, have been the most helpful?*

**A:** Riordan was very helpful. Let me think about the council members who have been very helpful — I'm on my fourth City Council so I have to think back who was around.

Obviously having Jan [Perry] here has been critical. It was very difficult with her predecessor.

**Q:** *That's Rita Walters. She opposed Staples Center.*

**A:** How about that? How about that? It's one of the most extraordinary votes I've — [shakes her head incredulously].

I have to say that in terms of the current council, as opposed to some previous city councils, I never heard this anti-Downtown rhetoric, which had been not uncommon, especially from the Westside and some of the Valley folks. Everyone seems to recognize that if Downtown succeeds the rest of the city benefits, and that wasn't always the case.

**Q:** *So there was a time with a lot of anti-Downtown rhetoric?*

**A:** It was in the early '90s and it came from a variety of different council members, and it was very unfortunate. That was part of that struggle of being swatted back five feet, and hearing all this rhetoric.

I also remember there was a magazine called Buzz. They had a whole issue devoted to — I think it said "Downtown Is Dead" on the cover. I went ballistic. You know, people who do stuff like that go on Carol's list. And I was very happy to see that they went under some time after that.

**Q:** *At a recent press conference, First Deputy Mayor Austin Beutner commented, positively, on what he termed your "tenacious, ferocious leadership." You're known for being tough.*

**A:** Yeah I am. I don't think you can do politics in the second largest city in the country without being tough. This is playing with the big boys and you've gotta be able to play. So you gotta be tough. You gotta be able to take your punches. You gotta be able to give some punches and you gotta be able to stand and get along the next day. It's a blend of skills and I would say not many people have the kind of skills that are necessary to run organizations like this. It's an unusual mixture of skills, but being tenacious is clearly one of them. If we think something is really important, we'll stand our ground and we'll fight, that's it.

**Q:** *You're known for—*

**A:** I'm a fighter. Because we're representing business, and business has to fight tooth and nail to be heard up there. As organized labor has become more and more powerful, sometimes our interests coincide, but sometimes they don't, and getting people to remember that we're the ones who create jobs — organized labor conditions those jobs, but we create them.

**Q:** *Bigger picture again: Obviously tremendous strides have been made Downtown in the past two decades. Where is the community still falling short and how does it get there?*

**A:** We need more housing, we need more retail, I want to see our first new office building be built so I know we've come full circle and really created a thriving economy where every market is hitting on all cylinders. I want to see more cultural institutions. I just want to see more of everything here, because this is the place it should be.

**Q:** *Twenty years is a long time in an organization. How long do you see yourself here?*

**A:** I'm looking at 65 as sort of the magical year potentially, but as long as I feel like I'm accomplishing something and enjoying it, then I'll want to stay. And when I feel like I'm not accomplishing things or not enjoying it, so much so that it's more frustrating than enjoyable, then I'll go.

**Q:** *So you're not yet putting in place a succession plan?*

**A:** Well, I had a succession plan, but it changed. Not in terms of anything I wanted, but I had a change in staff, and you know, not much you can do about that.

**Q:** *Let's circle back to where we started. You discussed Downtown in 1990. Here are we in 2010. How's Downtown?*

**A:** The change has been revolutionary. It's been transformative. We've got all these fabulous new restaurants. We've made Downtown a destination in terms of hospitality and entertainment and housing, and those three things — in 1990, there was no way I could foresee any of that happening. If somebody would have told me then that we would have become a housing destination, a destination for new restaurants and bars, I would have said, right. No chance.

And we have what, 44,000 people living here now, as opposed to the 18,000 people living here before 1999. The qualitative feel, the energy you feel here. The fact that you see people walking around after 5 p.m., till 2 a.m. Bottega Louie is packed on Sunday.

People come from Orange County to eat here. It's like, what? To imagine that 20 years ago, there's no way. Having to be a pragmatic executive, there's no way in the world I could have foreseen it.

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