

Businesses Fear 'Landmark' Decision

By HOWARD FINE - 10/19/2009

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Scores or possibly hundreds of buildings in the city of Los Angeles could be declared historic landmarks in the next few years, and that means big obstacles loom any time one of those buildings is to be renovated. So business groups, developers and even film studio executives are scrambling to get restrictions eased for historic structures.

The business interests are trying to win favorable changes in the city's cultural heritage ordinance, which is now going through its first major update in nearly 50 years. The proposed update will go to the City Council in the next three months.

Film industry executives fear that renovations to sound stages could be delayed for up to one year, which could cripple efforts to outfit the stages with wiring necessary for film productions that require the latest technological wizardry.

Property owners, meanwhile, are concerned such delays could cost them tenants or prevent them from making upgrades altogether.

"We want to bolster the investment market for historic properties to incentivize owners and investors to funnel more money into their properties for rehabilitation and renovation," said Carol Schatz, chief executive of the Central City Association. "The ordinance as it now stands disincentivizes the investment we need."

Business groups are battling with preservation advocates, who have been pushing for even stricter protections of historic buildings. Preservation advocates won a victory when the Planning Commission voted to give the city the authority to halt demolition of historic structures, using law enforcement if necessary.

"Assuming this passes, we will finally have the ability to deny all-out demolition of our most cherished landmarks," said Mike Buhler, director of advocacy for the Los Angeles Conservancy.

Preservation advocates ultimately want to extend this power to the interiors of historic buildings, but failed in that attempt before the Planning Commission last month. Business interests also failed to win a concession on how the city should treat the interiors of historic buildings.

After listening to both sides, the commission chose the middle ground and decided to leave the portions of the ordinance pertaining to the interiors of historic buildings the same as in current law. Any changes must now be made at the City Council level.

Survey under way

Updating the ordinance has taken on new urgency pending a three-year, \$5 million survey to identify buildings and structures that could be eligible for historic or cultural landmark status. This survey, which is 50 percent funded by the J. Paul Getty Trust, will likely result in the addition of scores or perhaps even hundreds of landmarks to the 960 currently designated throughout the city.

As a result, within the next five years, many building owners may find themselves with buildings newly designated as historical or cultural landmarks. This prospect especially worries developers who may soon have yet another city bureaucracy to deal with.

Under the current ordinance, which was crafted in 1962, the city's Cultural Heritage Commission has to sign off on any significant changes to historic structures. The commission has the power to delay approval for up to one year, though that power has rarely been invoked.

More often, commission staff members enter into negotiations with developers over how to minimize the impact of changes to both the exterior and interior of their buildings.

The resulting delays sometimes frustrate the plans of developers.

"The Cultural Heritage Commission can at times be quite arbitrary in how it treats historic buildings," said Mark Weinstein, president of MJW Investments, which has developed Santee Court and the nearby Textile Building.

Weinstein said that the city's Adaptive Reuse Ordinance, specifically designed to speed the rehabilitation and reuse of old downtown commercial buildings, doesn't apply to the Cultural Heritage Commission, so a project that has expedited approvals from other city departments can run into problems with the commission.

"The discussion needs to turn on how we can get every department and commission together to expedite these projects," he said.

Weinstein said he knows of other developers who have lost tenants for their projects due to delays in Cultural Heritage Commission review. "Developers fear that what's already difficult won't become any easier in terms of delays."

The concern about the updated ordinance centers on the impact it would have when the downtown real estate market picks up again.

One example is the Old Embassy Hotel and Auditorium, now vacant. Built in 1913-14, it's designated a historical landmark and is slated for a redevelopment project that would turn it into a boutique luxury hotel.

Developers and the Central City Association are pushing for the exclusion of historic building interior spaces not accessible to the public from the updated ordinance. That way, many changes for new tenants could go ahead without having to wait several months or even a full year for approvals.

Sound stage concerns

City officials, however, note that the approval process for changes to historic structures has rarely resulted in lengthy delays in the past and isn't likely to do so in the future.

"I cannot recall a single time that the Cultural Heritage Commission has voted to delay for 180 days an interior change under today's ordinance, let alone requesting the City Council to grant another 180-day delay on top of that," said Ken Bernstein, manager of the city's Office of Historical Resources. "Nothing is going to change on this front with the new ordinance."

But such statements haven't removed the fears that such delays could happen, which is why business interests have pushed to have as much interior space as possible exempted from the ordinance.

For example, film studios, concerned that several major studios may soon end up on the list of historic and cultural landmarks, have tried to get sound stages and other production facilities exempted from the ordinance update.

Film industry executives say sound stages need to be constantly updated with new wiring and other changes to accommodate the latest film technology, especially for specific movie productions that rely heavily on special effects. That involves getting behind sound stage walls, which is enough to trigger a Cultural Heritage Commission review. Having to wait several months or even a year for commission

approval could force studios to scuttle certain productions at their L.A. sound stages.

“For an industry that operates on tight deadlines, such delays would make filming at studios in the city unworkable, driving production elsewhere,” Sarah Walsh, director of state government affairs for the Motion Picture Association of America, told the City Planning Commission last month.

“By including private commercial interiors in the new ordinance, the city will limit our companies’ ability to make technological and artistic changes to the interiors of studio facilities that could be designated as historically or culturally significant,” Walsh said in her testimony.

Until now, major film studios have not had to face this because only a few smaller independent studios have so far been designated as historic landmarks. One of those is the Jim Henson Co. studio in Hollywood – previously the site of Charlie Chaplin Studios.

Henson Co. spokeswoman Nicole Goldman declined to comment on the issue.

Concessions to business

Bernstein and historic preservation advocates said the ordinance update that’s on its way to the City Council represents a middle ground, including several concessions to property owners and business and development interests.

The biggest benefit to property owners is that they would be notified as soon as their building is put up for consideration as a cultural or historical landmark. Currently, there are no requirements to notify property owners; some don’t find out until after their property has been designated as a historical structure.

“This is a very significant change,” Bernstein said. “Often property owners are blindsided by monument designations.”

The proposed ordinance also requires that preservation advocates or city officials list all the significant interior and exterior features of a building that are unique and merit preservation; alterations that don’t directly impact those features could receive approvals quickly.

For example, if a central staircase is deemed of historic or cultural value, then a change to a back room far from that staircase might not need significant review.

“This was a proposal from the development community that we agreed to,” said Mike Buhler, director of advocacy for the Los Angeles Conservancy, the region’s main historical preservation group. “In return, we got a major provision that we had been seeking, namely the ability of the city to prevent the complete demolition of historic structures.”

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