

Statement of Overriding Considerations

The Final EIR has identified certain unavoidable significant project and cumulative impacts of the Project. The City concludes, as described above, that the Project will have certain project and cumulative significant impacts on the environment.

Section 21081 of the California Public Resources Code and Section 15093(b) of the CEQA Guidelines provide that when the decisions of the public agency allows the occurrence of significant impacts identified in the Final EIR that are not substantially lessened or avoided, the lead agency must state in writing the reasons to support its action based on the Final EIR and/or other information in the record. Section 15093 (b) of the CEQA Guidelines requires that the decision maker adopt a Statement of Overriding Considerations at the time of approval of a project if it finds that significant adverse environmental effects identified in the Final EIR cannot be substantially lessened or avoided. These findings and the Statement of Overriding Considerations are based on substantial evidence in the record, including but not limited to the Final EIR, the source references in the Final EIR, and other documents and material that constitute the record of proceedings.

Accordingly, the City adopts the following Statement of Overriding Considerations. The City recognizes that significant and unavoidable impacts will result from implementation of the Project. Having (i) adopted all feasible mitigation measures, (ii) rejected as infeasible alternatives to the Project, (iii) recognized all significant, unavoidable impacts, and (iv) balanced the benefits of the Project against the significant and unavoidable impacts of the Project and its cumulative impacts, the City hereby finds that the each of the Project's benefits, as listed below, outweighs and overrides the significant unavoidable impacts of the Project.

Summarized below are the benefits, goals and objectives of the Project. These provide the rationale for approval of the Project. Any one of the overriding considerations of economic, social, aesthetic and environmental benefits individually would be sufficient to outweigh the significant unavoidable project and cumulative impacts of the Project and justify the approval, adoption or issuance of all of the required permits, approvals and other entitlements for the Project and the certification of the completed Final EIR. Despite the significant unavoidable impacts of the Project as described above, the City certifies the Final EIR and approves the Project entitlement approvals based on the following contributions of the Project to the community:

- The direct on and off-site economic impact associated with construction of the Project is expected to generate over \$3.3 billion in output supporting 19,359 full time equivalent (FTE) positions with earnings of over \$960 million over the course of the construction period.
- Annual operation of the Project is expected to generate over \$183 million in

total output throughout the Los Angeles economy supporting 3,546 full time equivalent (FTE) positions with earnings over \$77 million per year.

- The Project would generate \$27.3 million in annual revenues to the City's general fund from on and off-site operations.
- The Project would serve as a catalyst for economic growth in downtown Los Angeles and synergistically build upon existing venues including STAPLES Center and L.A. Live.
- The New Hall, Event Center and new parking structures will be financed solely from private funding sources, at no risk to the City's General Fund.
- The Project promotes smart growth and sound urban planning principles by developing a major sports, entertainment and Convention Center venue in close proximity to transportation corridors and transit stations.
- The Project would modernize and enhance the marketability of the Convention Center by: (i) replacing the outmoded West Hall with a modern New Hall contiguous to the existing South Hall, (ii) creating a more efficient exhibit hall, (iii) increasing the number of trade shows and conventions attracting out of town visitors, (iv) providing Convention Center expansion capabilities for certain events through the use of the event floor, premium suites and club spaces for exhibit and meeting use.
- Completion of the Project and modernization of the Convention Center will propel Los Angeles from 15th to 5th in the nation for convention center size.
- An upgraded convention center will result in an estimated 80 annual booked event days in downtown Los Angeles, significantly benefiting the local economy.
- The Project will provide a state of the art Event Center capable of attracting and maintaining up to two NFL teams. In addition, the Event Center will enable the City to attract major national and international sporting events, such the Super Bowl, Pro Bowl, NCAA Final Four, Rodeos, Motor Cross, MLS and international soccer matches, other collegiate championships, potentially the Olympic Games, as well as music concerts, festivals and religious gatherings.
- The Project would incorporate sustainability as one of its key design and operational criteria. The proposed New Hall would be designed to achieve LEED® Gold Certification while the Event Center would be designed to achieve a minimum of LEED Certification.

- As part of the effort to pursue LEED Certification, the Event Center would incorporate the AEG 1EARTH environmental program already implemented at STAPLES Center and across L.A. Live for the purpose of reducing greenhouse gas emissions.
- The Project will include substantial open space assembly areas for fans and visitors that can be utilized for pre-event and post-event gatherings.
- The Gilbert Lindsay Plaza will be reconfigured as part of the Project design to provide additional open space available to the community on non-event days.
- The Event Center will incorporate an open air stadium design with a deployable roof to take advantage of Southern California's temperate climate.
- The Project would provide economic development opportunities in Pico-Union and South Los Angeles by attracting out of town visitors to additional exhibition events and local and out of town fans to additional spectator events.
- The Project will provide an extensive community benefits program in collaboration with a coalition of community-based organizations, as specified in Exhibit D to the Development Agreement proposed for the Project:
 - Local hiring and job training, including \$500,000 in seed funding to a non-profit organization to staff and operate a first source referral system.
 - A living wage program with the goal of maintaining 100% of the jobs in the Project as living wage jobs.
 - A commitment of \$500,000 in funding towards a neighborhood protection and land use analysis plan to be implemented in the vicinity of the Project covering the following communities: Pico Union, South Park and South Los Angeles.
 - Preparation of a plan and a commitment of \$500,000 for the implementation of streetscape improvements (such as street trees, sidewalk scoring, street furniture and street lighting) covering the portal or connection points between the South Park and Pico Union communities.

- Small business development program that includes the following hiring goals: (1) 25% Small Business Enterprise (SBE) participation for construction and operation of the Project, (2) 20% participation for Minority Business Enterprise (MBE), (3) 5% participation for Women Business Enterprises (WBE) and 3% participation for Disabled Veteran Business Enterprises (DVBE).
- A commitment of \$200,000 to a non-profit organization that supports the development and growth of Emerging Business Enterprises (EBE) in the vicinity of the Project, including the Pico-Union, South Park and South Los Angeles communities.
- A commitment of \$1,300,000 for the creation or improvement of green space and parks and recreation facilities, including but not limited to land acquisition, park design and construction, soccer field development and the development of community gardens within a five mile radius of the Project.
- Establishment of a job shadowing program designed to introduce youth who live within a five mile radius of the Project to careers in the Sports, Entertainment and Hospitality industries.
- A commitment of \$1,000,000 towards a college scholarship program for students who reside within a five mile radius of the Project.
- A commitment of \$50,000 in seed funding to support a summer youth employment program for students living within a five mile radius of the Project.
- Preparation of an outreach program for the (i) promotion of existing college internship opportunities to area colleges and universities within a five mile radius of the Project and (ii) development of a paid college internship program for interns from the same communities.