



May 18, 2012

Jory Phillips  
1685 Main Street  
P.O. Box 2200  
Santa Monica, CA 90401

Dear Mr. Phillips,

We are writing on behalf of the Santa Monica Chamber of Commerce's Hotel Council to request that the new Zoning Ordinance include a process that would allow existing hotels to be rebuilt to their existing size and scale in the event of damage or destruction.

The City's hotel supply is extremely important to Santa Monica's economy. Santa Monica's hotels provide a special source of revenue, transient occupancy tax, to the City that other businesses do not. In 2011, the City received \$35 million in transient occupancy taxes. In addition, \$8.59 million of retail taxes were generated by visitor spending in 2011. Further, hotels are a desirable use of land from a traffic perspective because 70% of overnight visitors do not use a car once they arrive in Santa Monica. (3<sup>rd</sup> Annual Santa Monica Travel & Tourism Summit Brochure.)

The LUCE encourages hotels in the City because they support economic sustainability and are consistent with traffic reduction incentives. LUCE Goal D6, p. 3.4-21. However, the current Zoning Ordinance's nonconforming building and use provisions encourage reduction of the existing hotel stock rather than preservation of it. Under the current Zoning Ordinance, most of Santa Monica's hotels could not be rebuilt to their existing size and scale in the event of significant damage or destruction. And, in some instances, if a hotel is destroyed the property can no longer be used for a hotel use because the hotel use itself is prohibited in the zone that the hotel is located.

Owners of nonconforming hotels (which are most of the City's hotel owners) are taking a significant risk by investing in these hotels, especially older hotels. And, financing and insuring these hotels with the current Zoning Ordinance restrictions is extremely difficult and expensive.

**Board Members, Cont.**

David Hibbert  
David Forbes Hibbert, AIA

Robert Isomoto  
Santa Monica College

Jeff Jarow  
PAR Commercial

Iao Katagiri  
RAND Corporation

Robert Kull  
The Lobster Restaurant

Jenna Linnekens  
Extraordinary Events

Tom Loo  
Greenberg Traurig, LLP

John Maceri  
OPCC

Mike Matosian  
Southern California Disposal and  
Recycle

Jean McNeil-Wyner  
Santa Monica-UCLA Medical  
Center and Orthopaedic Hospital

Doug Metzler  
Heins

Mark A. Olson  
Southern California Edison

Krista Phipps  
Southern California Gas Company

Bill Rinker  
Toyota Santa Monica

Steven Sharrer  
Saint John's Health Center

Linda "Tish" Tisherman  
Staff Support Inc.

Nat Trives  
New Visions Foundation

John Warfel  
Metropolitan Pacific Commercial  
Real Estate Services

**Chairman**  
Ron Davis  
Santa Monica Ford Lincoln Subaru

**Chairman Elect**  
Ellis O'Connor  
MSD Hospitality

**Past Chairman**  
Tom Neary  
Morley Builders

**Chief Financial Officer**  
Richard Lawrence  
National Bank of California

**Vice Chairman**  
Bradley Cox  
Trammell Crow Company

**Vice Chairman**  
Susan Inwood  
Wells Fargo Advisors

**Vice Chairman**  
Dave Nelson  
Tegner - Miller Insurance Brokers

**Vice Chairman**  
Susan Gabriel Potter  
Bob Gabriel Co. Insurance

**Vice Chairman**  
Mary Ann Powell  
Pacific Park on the Santa Monica Pier

**Board Members**  
Kris Andresen  
Andresen Associates

John Bohn  
The Bradmore Group

Richard Chacker  
Perry's Beach Cafe and Rentals

Julia Cooksey  
Verizon

Kevin Dunbar  
OneWest Bank

Mike Gruning  
Pence Hathorn & Silver Realty

Eddie Guerboian  
Readers Fine Jewelers

Chris Harding  
Harding Larmore  
Kutcher & Kozal LLP



The new Zoning Ordinance should implement the LUCE by including provisions that encourage the preservation of the City's existing hotel stock. Attached for your review is a detailed explanation of the problems with the City's Zoning Ordinance as it pertains to hotels that suffer damage or destruction and our recommendations for the City's Zoning Ordinance update currently under preparation.

Given the importance of hotels to the local economy and that the vast majority of the City's hotels are nonconforming, we respectfully request that City Staff include a process in the new Zoning Ordinance that allows existing hotels to be rebuilt to their existing size and scale in the event of a casualty.

Sincerely,

**Ron Davis**  
Chairman

**Laurel Rosen**  
President & CEO

cc: Rod Gould  
David Martin  
Vivian Kahn  
Misti Kerns

**Board Members, Cont.**

David Hibbert  
David Forbes Hibbert, AIA

Robert Isomoto  
Santa Monica College

Jeff Jarow  
PAR Commercial

Iao Katagiri  
RAND Corporation

Robert Kull  
The Lobster Restaurant

Jenna Linnekens  
Extraordinary Events

Tom Loo  
Greenberg Traurig, LLP

John Maceri  
OPCC

Mike Matosian  
Southern California Disposal and  
Recycle

Jean McNeil-Wyner  
Santa Monica-UCLA Medical  
Center and Orthopaedic Hospital

Doug Metzler  
Heins

Mark A. Olson  
Southern California Edison

Krista Phipps  
Southern California Gas Company

Bill Rinker  
Toyota Santa Monica

Steven Sharrer  
Saint John's Health Center

Linda "Tish" Tisherman  
Staff Support Inc.

Nat Trives  
New Visions Foundation

John Warfel  
Metropolitan Pacific Commercial  
Real Estate Services

**Chairman**  
Ron Davis  
Santa Monica Ford Lincoln Subaru

**Chairman Elect**  
Ellis O'Connor  
MSD Hospitality

**Past Chairman**  
Tom Neary  
Morley Builders

**Chief Financial Officer**  
Richard Lawrence  
National Bank of California

**Vice Chairman**  
Bradley Cox  
Trammell Crow Company

**Vice Chairman**  
Susan Inwood  
Wells Fargo Advisors

**Vice Chairman**  
Dave Nelson  
Tegner - Miller Insurance Brokers

**Vice Chairman**  
Susan Gabriel Potter  
Bob Gabriel Co. Insurance

**Vice Chairman**  
Mary Ann Powell  
Pacific Park on the Santa Monica Pier

**Board Members**  
Kris Andresen  
Andresen Associates

John Bohn  
The Bradmore Group

Richard Chacker  
Perry's Beach Cafe and Rentals

Julia Cooksey  
Verizon

Kevin Dunbar  
OneWest Bank

Mike Gruning  
Pence Hathorn & Silver Realty

Eddie Guerboian  
Readers Fine Jewelers

Chris Harding  
Harding Larmore  
Kutcher & Kozal LLP