

REAL ESTATE

Hollywood Park racetrack faces bleak odds of survival



Peter Szasz Architectural Illustration

The proposed \$2-billion Hollywood Park Tomorrow project calls for a new neighborhood in Inglewood with parks, office buildings, a hotel, a lake, a waterfall and possibly a school.

Its owner plans to redevelop the 238-acre property in Inglewood into a retail and residential complex in about a year if the City Council approves the project.

By Roger Vincent and Ari Bloomekatz
May 28, 2009

A proposed \$2-billion real estate development that would replace the historic Hollywood Park racetrack and change the face of Inglewood may get the go-ahead tonight from the City Council.

The track's owner, Bay Area developer Wilson Meany Sullivan, plans to start work on a massive retail and residential complex in about a year if the council approves the project. The development would also bring some rare green space to Inglewood: Plans call for parks, a lake and even a waterfall in the dense urban community.

FOR THE RECORD:

Hollywood Park: An article in Business on Wednesday about a proposed real estate development that would replace Hollywood Park said attendance at the racetrack is about 4,500 people each day, with Friday nights having the highest attendance of about 6,300. Those figures were for the fall series of races. At present, average attendance is just over 6,000 daily, with about 9,600 fans Friday nights. —

But development would end racing at Hollywood Park, where thoroughbreds have churned the turf since 1938.

Racing would continue "up to the last minute" before construction, said Chris Meany, a partner at Wilson Meany Sullivan. Horse racing officials would get six months' notice, he said, and racing would stop at the end of one of the track's two annual seasons, which conclude in July and December.

Meany says he knows there are racing fans who don't want to see the end of the track, where movie industry elite once joined hordes of fans to play the ponies. But he said the track is no longer viable as a business.

"It's sad that the era of horse racing is past," he said.

The new project, called Hollywood Park Tomorrow, would incorporate the existing Hollywood Park Casino. According to Meany, the card club is more profitable than the track, which no longer pulls the crowds it once did and has cut back on the number of days it operates.

Through its sheer size, Hollywood Park offers a rare opportunity for large-scale development in an urban area, industry observers said. At 238 acres, it is about the size of Boston's financial district and twice as big as Vatican City.

The developer's proposal calls for creating a new neighborhood in Inglewood, with curving streets, parks and possibly a school. The district would include office buildings and a hotel.

"The mixed-use component is not a surprise," said Paul Habibi, a lecturer at UCLA's Ziman Center for Real Estate. "That's been a trend for the last decade. What's unusual about it is the enormous amount of space they are devoting to parks and eco-friendly environment."

Plans call for a 25-acre park, including a lake and a waterfall. Developers generally prefer to pack their projects as densely as possible with revenue-generating businesses, but many cities are now demanding more public benefits, Habibi said.

"Developers are putting green product forward. It's a necessity" for gaining public approval, he said.

Wilson Meany Sullivan is developing a similar project in San Mateo, Calif., at the former site of Bay Meadows racetrack and is planning to develop an even larger master-planned community on the former Treasure Island naval base in San Francisco Bay. In 2002, it completed a conversion of the landmark Ferry Building in San Francisco to offices and shops.

The company's financial partner in Inglewood and at several other projects is Stockbridge Real Estate Funds, a San Francisco investment firm.

Hollywood Park is an important infill project, Meany said, because Inglewood is often perceived as a lower-income city with safety issues. Developers have avoided the area in the past, even though it is in a densely populated area of Los Angeles County. It has few civic amenities, especially since the Los Angeles Lakers left in 1999.

Wilson Meany Sullivan has met with local residents, business owners and religious leaders more than 100 times in the last few years, said Gerard McCallum, the company's project manager in Inglewood. The public meetings were intended to find out what residents wanted in a new development.

"People complain about the lack of movie theaters and sit-down restaurants," said McCallum, adding that there also is little in the way of outdoor recreation areas such as parks.

"People exercise by walking around the parking lot" at Hollywood Park, he said.

The developers bought Hollywood Park from Churchill Downs in 2005 for \$257.5 million and promised to continue racing at least three more years. Plans to increase revenue at Hollywood Park and other racetracks by introducing slot machines and other gambling attractions failed, and development is the next logical step, Meany said.

"We tried to run the best tracks we could, but we consider them over now," Meany said. "We think the state has spoken, and gaming will be concentrated at Indian casinos and not at racetracks."

Hollywood Park's attendance is about 4,500 people each race day, with Friday nights having the highest attendance of about 6,300, said Mike Mooney, director of publicity.

Each day, trainers and jockeys discuss the possibility that the racetrack will close, said Doug O'Neill, a trainer who lives in Santa Monica and works with horses Square Eddie and Southern Fireball.

"It's such a beautiful facility," O'Neill said. "If that were to go away, I think it would possibly make horse racing go one step closer toward going away in California."

O'Neill is worried that if Hollywood Park is developed, "we're going to look back and say I can't believe we didn't work harder to save that place. It truly is a hidden treasure."

State Sen. Leland Yee (D-San Francisco) said the closing of Hollywood Park would be "a sad day" because horse racing is a part of California's history.

"We in the state, we haven't come up with an alternative or some additional strategy to help this industry, and to that extent, I'm sad that we haven't been more successful," he said.

Inglewood City Councilman Daniel Tabor said that there was a special place in his heart for the racetrack, but that it cannot be sustained.

"There's a part of me that says I'd love to find out in the morning that the state Legislature has found a way to give slot machines to racetracks as a response to the state budget crises, and that Hollywood Park will call and say they would like to stay," Tabor said.

Tabor said there was a lot of material to review and that it could take more than tonight's meeting for the city's elected leaders to make a final decision about the track's future.

"It might not all happen on one day," he said.

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