CITY COUNCIL
NEW BUSINESS

OCTOBER 6, 2025

SUBJECT: **PRESERVING ENTERTAINMENT STUDIOS IN WEST HOLLYWOOD**

INITIATED BY: **VICE MAYOR JOHN HEILMAN**

STATEMENT ON THE SUBJECT:

The City Council will consider directing Staff draft an ordinance and evaluate other methods to preserve entertainment studios and other ancillary uses in the City of West Hollywood.

RECOMMENDATIONS:

1) Direct Staff to draft an ordinance and evaluate other methods to preserve entertainment studios and other ancillary uses in the City of West Hollywood.
2) Direct Staff to engage with existing entertainment studios in the City to gather feedback on how the City can support them and the entertainment industry in West Hollywood.

BACKGROUND / ANALYSIS:

The Los Angeles region is recognized as an entertainment capital of the world and a center for film and entertainment studios. The entertainment industry has always had an important presence in West Hollywood. With the emergence of the motion picture industry in the early 20th century, West Hollywood became an attractive area for people in the industry to live and work.

There are several entertainment-related businesses in West Hollywood, including production offices, recording studios, and soundstages. The Lot at Formosa on the City's eastside was originally built in 1912 and controlled by independent producer Jesse D. Hampton until 1918, when the site was acquired by Mary Pickford and Douglas Fairbanks and dubbed Pickford–Fairbanks Studios. The studio was later renamed the United Artists Studios, the Samuel Goldwyn Studios, and was eventually sold to Warner Brothers in

1980 and became the Warner Hollywood Studios. Because of this rich history, the site has been identified as eligible for listing on the National Register of Historic Places, the California Historic Resources Register, and West Hollywood's local register. In 2007, the property was purchased by CIM group. Today, The Lot at Formosa expanded over the last 10 years to include three new creative office buildings catering to entertainment uses while remaining host to large soundstages and support services for major production companies.

In addition to The Lot, Quixote studios on Fuller Avenue has several sound stages, production offices, and studio space. Over the past decade, the City's Eastside has been the highest performing office market in the City, driven largely by the significant growth in entertainment-related uses in the area.

In recent years, the Los Angeles region has seen production activity decrease due to lower costs and higher incentives elsewhere. Based on the recent volatility in the entertainment industry, it's unclear if the industry will continue to have challenges going forward. However, the film and entertainment industry is a significant economic engine for the entire State of California and there are efforts at the State and local level to preserve and enhance this market. In July 2025, Governor Gavin Newsom approved an increase in the California's Film and Television Tax Credit program from $330 million to $750 million to help keep film and television projects in the State. A month later, the Governor announced 22 television projects received tax credits, which are set to generate an estimated $1.1 billion in economic activity and employ 6,500 cast and crew across California.

The City of West Hollywood was on record in support of the increased tax credits and other measures to revitalize the local industry. In addition, in June 2025, the City Council provided direction to reaffirm the City of West Hollywood as a film-friendly City and restate West Hollywood's role as a premier destination for entertainment production. This direction aligns with efforts in Los Angeles and at the State level to attract production, ensure film and television jobs remain in California, and help support this important industry.

In building on the previous film-friendly direction, the City may be able to take additional

steps to retain and attract entertainment-related uses in the City. This item gives direction to Staff to draft an ordinance and evaluate other methods to preserve and enhance entertainment-related uses and other ancillary uses in the City. For existing buildings, this includes protecting entertainment studios and ancillary businesses from being demolished or converted to other uses. It also includes collecting feedback from business owners on how the City can support them and the entertainment industry in West Hollywood.

STAFF ANALYSIS:

If approved, this item would have moderate impact on existing Staff workplans. This initiative will require a multi-departmental effort, including several City Divisions, namely: Long Range Planning Division in the Community Development Department and the Business Development Division in the Economic Development Department.

While this proposal emphasizes the importance of preserving entertainment studios and supporting the entertainment sector, Staff notes that any preservation measures must be carefully structured to remain consistent with State housing laws. California statutes, including the Housing Accountability Act (Gov. Code §65589.5), the No Net Loss Law (Gov. Code §65863), and the State Density Bonus Law (Gov. Code §65915), limit the City's ability to restrict or reduce opportunities for housing development.

The Long Range Planning Division within the Community Development Department will co-lead this initiative, given its responsibility for managing land use policy, zoning text amendments, and Housing Element compliance. Strategies to preserve entertainment studios will likely involve land use incentives or zoning modifications, areas that fall under Long Range Planning's purview. However, this assignment would represent a significant additional workload for the Long Range Planning Division, which is currently managing multiple state-mandated Housing Element programs, zoning code amendments, and complex Council directives with limited staffing.

The Business Development Division within the Economic Development Department is currently in the final stages of completing the outreach and research related to the Eastside Business Outreach Council initiative/directive adopted by City Council at its February 3, 2025 Council Meeting. Outreach to various Eastside businesses began in

Q2 of 2025 and will conclude in Q3 2025. This outreach includes The Lot at Formosa among other various Eastside businesses to determine ways to market, promote, and support the business community on the Eastside. Staff plans to return to the City Council in Winter 2025 with consolidated recommendations based on the outreach and feedback from the Eastside businesses and stakeholders. The feedback received can be added to the research desired for this item if approved.

Council's adopted practice is when Council-initiated items direct staff to initiate new studies, programs, or projects that require oversight and analysis, it will be incorporated into a future annual or mid-year budget for funding and inclusion in departmental workplans. Based on current Staff work plans, if approved, it is anticipated that this initiative will be incorporated into the workplan during the FY27 budget cycle, including the item's prioritization in division workplans.

CONFORMANCE WITH VISION 2020 AND THE GOALS OF THE WEST HOLLYWOOD GENERAL PLAN:

This item is consistent with the Primary Strategic Goal(s) (PSG) and/or Ongoing Strategic Program(s) (OSP) of:

- OSP-3: Promote Economic Development while Maintaining Business Vitality & Diversity.
- OSP-12: Actively Participate in Regional Issues.

In addition, this item is compliant with the following goal(s) of the West Hollywood General Plan:

- ED-1: Maintain a diverse and resilient economy.

EVALUATION PROCESSES:

N/A

ENVIRONMENTAL SUSTAINABILITY AND HEALTH:

N/A

COMMUNITY ENGAGEMENT:

This directive includes performing outreach to existing entertainment-related businesses in the City to help understand other support the City can provide.

OFFICE OF PRIMARY RESPONSIBILITY:

COMMUNITY DEVELOPMENT DEPARTMENT / LONG RANGE PLANNING DIVISION

ECONOMIC DEVELOPMENT DEPARTMENT / BUSINESS DEVELOPMENT DIVISION

CITY COUNCIL INITIATIVE CATEGORY:

ECONOMIC DEVELOPMENT & BUSINESS REQUIREMENTS

FISCAL IMPACT:

None at this time.

ATTACHMENT:

None.