

JAN 08 2014

ECONOMIC DEVELOPMENT

MOTION

14-0029
CD 14 prior CF 05-2165

Downtown Los Angeles has fewer than 2,000 hotel rooms within walking distance to the Los Angeles Convention Center. A review of competing convention markets in California shows that the City's supply of hotel rooms near the Convention Center is well below that of our competition. This significantly compromises the success of our convention center in attracting large conventions and out-of-town visitors that create considerable economic benefits for the City. In order to become a competitive west coast convention center city, the City needs at least 5,000 additional hotel rooms to serve the L.A. Convention Center, which is the City Council's goal.

The Metropolis project, located between 8th and 9th Streets and Francisco Street and the Harbor Freeway, is a proposed multi-phase, multi-tower development within one-half mile of the Convention Center. The developer of the Metropolis project plans the development of an approximately 300-room hotel as part of the first phase of the project, however the developer has indicated they require financial assistance to construct the hotel proposed. If fully realized, this large-scale world-class project could deliver significant job creation opportunities, infrastructure improvements, and considerable support for the City's hotel creation goals, in addition to economic development benefits to Downtown and the City at large.

I THEREFORE MOVE that the City Council authorize and instruct the Chief Legislative Analyst to hire consultants necessary to evaluate the first phase of the project known as "Metropolis" and make recommendations on economic development incentives that could help the project move forward, including, but not limited to, a potential site specific revenue / subvention agreement consistent with City policies; accept \$200,000 for consultant services from the developer to analyse the economics and financing associated with this instruction; request / authorize / instruct the City Controller to deposit / appropriate / expend all funds received as a result of this action in Fund 100, Department 28, Contractual Services Account 3040; and authorize the CLA to make any technical corrections, revisions, or clarifications to the above instructions in order to effectuate the intent of this action; and

I FURTHER MOVE that the developer pay the full cost for any financial and economic analysis, consultants and any other reviews associated with the economic evaluation of this project.

PRESENTED BY:

[Signature]

Jose Huizar
Councilmember, 14th District

SECONDED BY:

[Signature]

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