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February 25, 2016

Honorable Members of the Budget and Finance Committee
c/o Office of the City Clerk
200 N. Spring Street, Room 360
Los Angeles, CA 90012

Reference: C.F. 14-1383

**SUPPLEMENTAL REPORT: PUBLIC-PRIVATE FINANCING OPTIONS FOR THE
LOS ANGELES CONVENTION CENTER EXPANSION PROJECT**

Honorable Members:

At your meeting on February 29, 2016, you will be considering the CAO's "Supplemental Report: Public – Private Financing Options for the Los Angeles Convention Center Expansion Project."

Our Board very much appreciates the City Council's willingness to explore simultaneously both the conventional approach as well as the "Design Build Finance Operate and Maintain" (DBFOM) project delivery method proposed by the CAO and urges adoption of amended report.

At its meeting on February 9, 2016, the Economic Development Committee (EDC) amended the CAO's report to include the recommendation that, "The Business Case document's project description will prohibit residential uses."

As President of the Board of the Convention and Tourism Development Department, I urge the Committee and Council **not** to strictly prohibit the exploration of all residential uses. Although our full Commission did not take an official vote, I am confident I speak

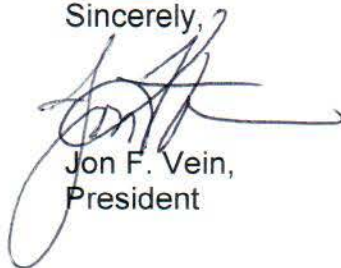
for a majority of the Board when I say that our expectation is that in order assess objectively and analytically what is the best course, all of the pros and cons of both project delivery methods, and by taking the residential option off of the table (when it is not a binary consideration), we will necessarily be ignoring data that we, and we believe the Council and other entities, will need to make an informed determination. To be clear, precluding any consideration of residential uses on the Los Angeles Convention Center (LACC) campus limits the City Council's ability to fully weigh the advantages and disadvantages of both alternatives.

For example, the Marriott Hotel has 1,003 hotel rooms with 224 condos. A strict interpretation of the EDC's amendment would prohibit even consideration of that type of vertical mixed use.

It might very well be that in the final analysis all residential uses are prohibited on the LACC campus. Studying the inclusion of residential uses allows the City Council to conscientiously make that decision, rather than not even have all the facts on the table during the deliberations.

Your consideration of this amendment to the EDC's motion would be much appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon F. Vein', with a long horizontal flourish extending to the right.

Jon F. Vein,
President

RRO:JV:cv
Exec. Ref. 16-022

cc: CTD Commissioners
Kelly Bernard, Deputy Mayor
Sharon Tso, Chief Legislative Analyst
Miguel Santana, City Administrative Officer
Bud Ovrom, CTD Executive Director