



**Ted Fikre**

Vice Chairman

Chief Legal and Development Officer

May 18, 2017

Dear Members of the Los Angeles City Council,

AEG is the leading sports, entertainment, and venue operator in the world. In 2001, AEG expanded an existing partnership with the City of Los Angeles when the City approved the development of L.A. Live, the \$3B Downtown Los Angeles sports, residential and entertainment district. As part of our agreement with the City of Los Angeles, AEG developed a 1001 room convention center headquarters featuring The Ritz-Carlton and JW Marriott Hotels.

In addition, AEG Facilities currently operates the Los Angeles Convention Center which attracts more than 2 million visitors annually and is a leading destination for conventions, trade shows, and exhibitions. AEG supports the redevelopment, expansion, and success of the Los Angeles Convention Center.

Given our substantial investment in attracting and supporting tourism to Los Angeles, AEG has been monitoring the short-term rental industry draft ordinance. Currently, short-term rentals of apartments and condominium units located in high-rise towers in downtown Los Angeles compete head-to-head with hotels in the area. These housing units, which are currently prohibited from being used as short-term rental units are listed on internet platforms every day. They do not meet the higher, strict safety rules required of hotels. These units take business away from hotels during conventions and other large scale events. In our research, we found several listings that advertise proximity to the Convention Center. In some of these advertisements, the "host" uses pictures of STAPLES Center and our facilities to increase desirability.

We oppose multi-family buildings being operated as de-facto hotels. Clearly, a strong and enforceable ordinance is required to keep these companies from violating local zoning and land use laws.

For these reasons AEG supports the City's vision to regulate home-sharing. In particular, we are in favor of limiting short-term rentals to primary residences and capping home-sharing to no more than 90 days per year.

AEG joins the diverse coalition of hotels, workers, community activists, and housing advocates in support of immediate consideration of the ordinance. Now more than ever, the City must enact reasonable and fair regulation that prevents hosts and their platform partners from profiting from an industry that is adversely impacting both our City's available housing stock and potentially the number of union jobs available at local hotels. Thank you for your consideration.

Sincerely,

Ted Fikre