

MOTION

Los Angeles has made great strides to improve its convention and tourism business over the past decade. The City has restructured the management of the Los Angeles Convention Center and supported the development of new hotels to support the growing interest in the City as an international tourist destination.

Despite the progress to date, there is still a need for large scale hotels convention hotels that are capable of providing large room blocks within walking distance of the Convention Center. Review of competing convention markets in California indicates that Los Angeles has a limited supply of hotel rooms within walking distance of the Convention Center. San Diego has over 9,000 hotel rooms within one-half mile of its convention center and San Francisco has over 20,000 hotel rooms within the same distance. Los Angeles has fewer than 3,300 hotel rooms within one half mile of our Convention Center. The lack of hotel rooms is regularly cited by convention and event planners as their key reason for taking their business to other cities.

A proposal was recently announced to construct a 755-room hotel JW Marriott as an expansion of the current JW Marriott located at LA Live. The new hotel tower will be directly connected to the existing tower, with below grade parking, ground level retail, and other amenities. The proposal also includes an expansion of meeting, conference, banquet, and ballroom space to support the new hotel rooms.

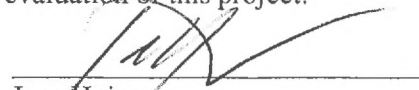
The Developer has indicated that the proposed hotel project requires financial assistance to construct and has requested that the City help with economic incentives such as those that have been provided to other large hotel projects. As with previous projects, the Developer would provide funds to support any independent economic and fiscal analysis necessary to evaluate their proposal.

If the City is to become a truly remarkable international destination for convention business, more hotel rooms must be built. This proposed hotel develop would move the City substantially toward its goal of having more than 8,000 hotel rooms within walking distance to the Convention Center.

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 the JW Marriott Expansion 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 \$150,000 for consultant services from the developer to analyze 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:



Jose Huizar
Councilmember, 14th District

SECONDED BY:





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