

MOTION

The City has made substantial progress in its effort to support and enhance the convention and tourism business over the past decade. The City restructured the management of the Los Angeles Convention Center and embarked on an effort to renovate and expand the facility to stimulate economic growth. The City has also focused its efforts to support the development of new hotels in the vicinity of the Convention Center to attract new and bigger events.

There is still a need to expand the number of hotel rooms within walking distance of the Convention Center. According to a lost business analysis by the Los Angeles Tourism & Convention Board from 2010–2014, inadequate hotel or convention center space contributed to lost citywide conventions that could have provided a positive economic impact of \$4.9 billion. Similarly, a 2015 report by Conventions, Sports & Leisure, International commissioned by the City found that the lack of hotel rooms within walking distance of the Convention Center results in Los Angeles forfeiting a significant and lucrative percent of national convention business. To compete with other cities, Los Angeles needs approximately 8,000 rooms within walking distance to the Convention Center and there are only 3,172 as of September 2015.

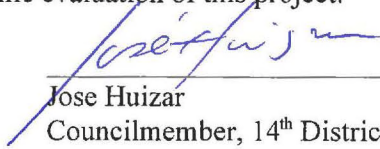
A proposal is coming forward to construct a large project with approximately 1,000 hotel rooms across from the Convention Center, comprising three parcels bounded by Figueroa Street, Pico Boulevard, and Flower Street. The project proposes to include the City-owned parcel on the corner of Figueroa and Pico. This site provides an opportunity to create a significant number of new hotel rooms to support the Convention Center. The project would include ground-level retail, parking, two hotel towers with sky lobbies, and amenities for hotel guests. The Developer has indicated that the proposed hotel requires financial assistance to construct this project and has requested the City provide economic incentives similar to those granted to other large hotel projects. Consistent with City policy, the Developer would fund an independent economic analysis.

More hotel rooms are critical for the City to achieve its goal of having 8,000 hotel rooms within walking distance to the Convention Center, in addition to the larger purpose of supporting the City's thriving role as an international tourist destination. This project would significantly help the City achieve these goals.

I THEREFORE MOVE that the City Council authorize and instruct the Chief Legislative Analyst to hire consultants necessary to evaluate the proposed hotel project at Pico Boulevard and Figueroa Street and make recommendations on economic development incentives that could help the project move forward, including, but not limited to, a potential site specific revenue 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:



JAN 19 2016



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