

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to evaluating incentives and financial assistance for the proposed Cambria Hotel Project.

Recommendations for Council action:

1. AUTHORIZE the Mayor to execute a Memorandum of Understanding (MOU) between the City of Los Angeles and 926 James M Wood Boulevard LLC (Developer) concerning terms for agreements necessary to provide a hotel incentive agreement to close the financing gap in the Cambria Hotel Project.
2. DIRECT the Chief Legislative Analyst (CLA), with assistance of the City Attorney and other City Departments as necessary, to negotiate the final definitive documents necessary to provide the Developer a hotel incentive agreement to support the Cambria Hotel Project for consideration by Council.

Fiscal Impact Statement: The CLA reports that there is no fiscal impact on the City General Fund associated with this action, inasmuch as City staff are being instructed to report with definitive documents necessary to provide a future revenue participation agreement for the Cambria Hotel Project.

Community Impact Statement: None submitted.

Summary:

On October 24, 2017, your Committee considered an October 18, 2017 CLA report relative to evaluating incentives and financial assistance for the proposed Cambria Hotel Project. According to the CLA, on September 30, 2016, a Motion (Huizar-Price, (Council File No. 16-1128) was introduced to authorize the CLA to evaluate the proposed Cambria Hotel Project and determine whether financial assistance is warranted to support development of the project. Pacific Properties, as the development team of 926 James M Wood Boulevard LLC, has developed plans for the Cambria Hotel project, which will consist of one tower containing 247 rooms within walking distance of the Los Angeles Convention Center (LACC). The hotel will include all facilities associated with a select service hotel. The project will also include ground level retail and parking facilities.

A review conducted by the City's independent consultant determined that the project has a finance gap of \$18.3 million. The review also determined that the project will generate \$31.4 million net present value (NPV) in net new revenues to the City. Consistent with City policy, the Developer would be eligible to receive up to \$15.7 million NPV in financial assistance. The City would receive up to \$15.7 million NPV in new general fund revenues. The project would generate new hotel rooms to support the LACC, generate new jobs and new City revenues, and provide community benefits. Therefore, providing financial assistance for the project would be consistent with City policy. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the October 18, 2017 CLA report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



**MEMBER VOTE**

PRICE: YES  
BUSCAINO: ABSENT  
HUIZAR: YES

ARL  
10/24/17

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**