

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to hiring consultants to evaluate the proposed Cambria Hotel Project.

Recommendations for Council action, pursuant to Motion (Huizar - Price), SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE and INSTRUCT the Chief Legislative Analyst (CLA) to:
  - a. Hire consultants necessary to evaluate the proposed Cambria Hotel Project 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.
  - b. Accept \$150,000 for consultant services from the developer to analyze the economics and financing associated with this instruction.
2. AUTHORIZE and REQUEST the City Controller to deposit, appropriate and expend all funds received as a result of this action in Fund No. 100, Department 28, Contractual Services Account No. 3040.
3. AUTHORIZE the CLA to make any technical corrections, revisions, or clarifications to the above instructions in order to effectuate the intent of this action.
4. DIRECT that the developer pay the full cost for any financial and economic analysis, consultants and any other reviews associated with the economic evaluation of the Cambria Hotel Project.

Fiscal Impact Statement: Neither the City Administrative Officer nor the CLA has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On November 8, 2016, your Committee considered a Motion (Huizar - Price) relative to hiring consultants to evaluate the proposed Cambria Hotel Project. According to the Motion, the City has made great strides to improve its convention and tourism business over the past decade. Specifically, 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 hotels to meet the needs of all types of visitors to the City, including visitors to the Los Angeles 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.

To be more competitive, the City needs more hotel rooms in the vicinity of the Convention Center. The LA Tourism and Convention Board reports that at least 5,000 hotel rooms are needed. A proposal was recently announced to construct an approximately 250 room, limited service style hotel within walking distance of the Convention Center, on James Wood Boulevard at Georgia Street, known as the Cambria Hotel, to be developed by the Pacific Properties Partners. 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.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Motion as detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
CEDILLO:	ABSENT
HARRIS-DAWSON:	YES
KREKORIAN:	YES
O'FARRELL:	YES

ARL  
11/8/16

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**