

MOTION

ECONOMIC DEVELOPMENT

Los Angeles has made great strides to improve its tourism business over the past decade. The City is nearing its goal of attracting 50 million visitors a year, and new cultural and entertainment venues such as the Lucas Museum and the new LA Football Club stadium are anticipated to draw more visitors to the City. Plans to expand the Los Angeles Convention Center (LACC) will result in an increase in events that will attract more visitors from around the nation and the world. Despite the City's progress to date to expand its hotel stock, there is still a need for additional hotel rooms to serve the needs of all visitors to the City.

In October 2017, my office released a report that looked at ways to make LACC more competitive and draw more tourists and economic development to Downtown Los Angeles. The report found that despite recent growth, there is still a need for hotels that are capable of providing large room blocks within walking distance of the Convention Center. The report put forward specific recommendations on how to reach the goal of 8,000 hotel rooms by 2020, including the continued judicious reinvestment of net new site-specific tax revenues, such as Transient Occupancy Tax to promote the development of high priority hotel projects.

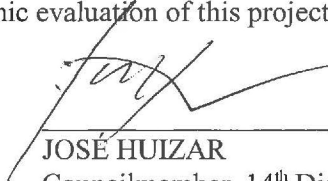
A proposal to construct a 243-room select service hotel within walking distance of the Convention Center, on Olive Street at 12th Street, to be developed by AECOM Capital was recently announced. The Developer has indicated that the proposed hotel project requires financial assistance to construct and has requested that the City evaluate and consider providing 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.

In order to prepare the City to meet the needs of our growing tourism sector, and for the growth of the LACC, cultural and entertainment venues at Exposition park, and the 2028 Olympic and Paralympic Games, it is essential that the City support the development of new hotel rooms if it is determined that the project requires assistance. As with previous projects, it is essential that the City conduct the necessary due diligence to determine whether a financing gap exists in this project and recommend options for the City to ensure that a quality project is able to move forward and provide the City with necessary hotel rooms and the quality jobs they generate.

I THEREFORE MOVE that the City Council authorize and instruct the Chief Legislative Analyst (CLA) to hire consultants necessary to evaluate the proposed hotel project at Olive Street at 12th 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:



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