

ECONOMIC DEVELOPMENT

MOTION

The City of Los Angeles has made great strides to advance its convention and tourism business over the past decade by restructuring the management of the Los Angeles Convention Center (LACC) and supporting the development of new hotels, which encourage the rising interest in the City as an international tourist destination. The planned expansion of the LACC will increase the number and size of events hosted there and will attract visitors from around the nation and world, creating a distinct need for increased services and amenities in the Downtown area.

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 with other markets, the City needs more hotel rooms that are easily accessible to the LACC. Concerned by this issue, my office released the Downtown Los Angeles Hotel Market Study in October of 2017 that analyzed ways to make the LACC more competitive and to draw more tourists and economic development to Downtown. The report confirmed that despite recent growth there is still a need for hotels that are capable of providing large room blocks within walking distance of the LACC. This report provides specific recommendations on how to reach a 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 300-room hotel (in conjunction with a 250-unit residential development and supportive commercial uses) within walking distance of the LACC, on Venice Blvd. between Flower St. and Hope St., was recently announced by Venice Hope Group LLC (Developer). 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 the expansion of the LACC, it is essential that the City conduct the necessary due diligence to determine whether a financing gap exists in this project and to recommend options for the City to ensure that a quality project is able to move forward, providing the City with necessary hotel rooms within walking distance of the LACC and the quality jobs they generate.

I THEREFORE MOVE that the City Council authorize and instruct the Chief Legislative Analyst to hire consultants necessary to evaluate the proposed 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; 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

SECOND BY:



AUG 08 2018

ORIGINAL

