

BUDGET AND FINANCE COMMITTEE REPORT relative to an amendment to the subvention agreement between the City and Hanjin International Corporation for the Wilshire Grand Hotel.

Recommendation for Council action:

APPROVE the First Amendment to Contract C-118744 between the City of Los Angeles and Hanjin International Corporation for the Wilshire Grand Hotel, and AUTHORIZE the Mayor to execute the contract amendment on behalf of the City.

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

Community Impact Statement: None submitted

SUMMARY

At its regular meeting of August 12, 2013, the Budget and Finance Committee considered a Chief Legislative Analyst (CLA) report relative to an amendment to the subvention agreement between the City and Hanjin International Corporation for the Wilshire Grand Hotel. The CLA reports that on March 25, 2011, the City Council approved recommendations related to the development of a new hotel and office development at the site of the Wilshire Grand Hotel at 7th Street and Figueroa Street in Downtown Los Angeles. The recommendations included approval of a Subvention Agreement (Agreement) between the City and Hanjin International Corporation (Developer) that established terms for the establishment of a Community Taxing District and the provision of transient occupancy tax revenues to support development of the hotel.

The CLA has reviewed the amendments requested by the Developer and determined that they meet the intent of the Agreement as initially approved by Council. The CLA further reports that the increase in the number of hotel rooms is a benefit to the City and the Los Angeles Convention Center. The amendments are further detailed in the CLA report attached to the Council file.

During Committee consideration, a CLA representative provided an overview of the amendments and responded to related questions from Committee members. After further discussion and having provided an opportunity for public comment, the Budget and Finance Committee recommended approval of the CLA's recommendations. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES

ENGLANDER: YES
KORETZ: YES
BLUMENFIELD: YES
BONIN: YES

-NOT OFFICIAL UNTIL COUNCIL ACTS-