

ECONOMIC DEVELOPMENT
MOTION

Since 2013, the City has been exploring opportunities to expand and modernize the exhibit space and services offered at the Los Angeles Convention Center. The national convention business is highly competitive, especially in California where San Francisco, Anaheim, and San Diego provide facilities that directly compete with Los Angeles for business. Each of these cities in the process of expanding their facilities, while Los Angeles continues to explore its options. Separately, the Anschutz Entertainment Group (AEG) proposed to build a 755-room expansion of the JW Marriott hotel on Olympic Blvd. At that time, the Council authorized the Chief Legislative Analyst (CLA) to study a proposed hotel incentive for the expanded hotel. The CLA hired Keyser Marston Associates to conduct the necessary economic analysis, but that hotel project did not move forward.

In 2016, the Anschutz Entertainment Group (AEG) provided correspondence to the City offering to develop a Convention Center project that would expand the exhibition facility and full-service hotel capacity needs of the City, while providing private development opportunities complementary to the STAPLES Center and LALive. The City has a long-standing partnership with AEG, beginning with the successful development of the STAPLES Center. At that time, Council instruct City staff to work with AEG to investigate options for a partnership to expand the Convention Center.

Last week, AEG offered a comprehensive development plan for the expansion of the Convention Center, along with the development of an 850-room hotel and ballroom and meeting room facilities to support large national and international events. AEG's proposal to construct the project as a public-private partnership presents the opportunity to expedite construction and ensure seamless integration of the Convention Center and LALive into one of the most dynamic event spaces in the nation. AEG has requested financial assistance to address a financing gap in the hotel project. This promising design and development proposal should be evaluated thoroughly and presented to Council for consideration.

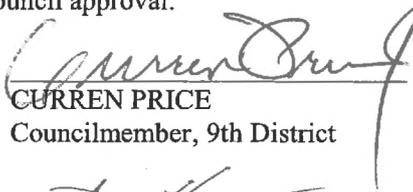
In a related matter, the management contract between the City and AEG to operate the Convention Center expires this year. At this time, when the future development of the Convention Center is under consideration, the City needs an experienced operator to maintain high-quality service to its clients. This contract should be extended while the development plan is developed.

I THEREFORE MOVE that the City Council instruct the Chief Legislative Analyst (CLA) with assistance of the City Administrative Officer (CAO), Los Angeles Convention and Tourism Department, the City Attorney, and other departments and agencies as appropriate, to evaluate the Los Angeles Convention Center expansion project proposed by Anschutz Entertainment Group (AEG) and provide a report with findings or recommendations on the proposal; and

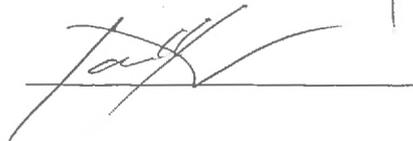
I FURTHER MOVE that the City Council authorize the CLA to execute a new contract with Keyser Marston Associates to conduct a new study of the proposed expansion of the JW Marriott Hotel and make recommendations on economic development incentives that could help the project move forward, including, but 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 Los Angeles Convention and Tourism Department amend the existing management contract between the City and AEG to operate the Los Angeles Convention Center to extend the term by one year, with two one year extensions, subject to Council approval.

Presented by:


CURREN PRICE
Councilmember, 9th District

Seconded by:



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