

ECONOMIC DEVELOPMENT

MOTION

Los Angeles has made great strides to improve its convention and tourism business over the past decade. 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 Convention Center. Review of competing convention markets in California indicates that Los Angeles has a limited supply of hotel rooms, within walking distance of, and generally capable of supporting, 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 its Convention Center and generally requires more hotel room supply to thrive. 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 capable of serving the Convention Center demand and growing tourism in the vicinity. 3800 West Sixth Street, LLC proposes to construct a 21-story building that includes a 192-room, full-service style hotel with commercial, residential, and retail spaces located on Sixth Street at Serrano Avenue (known as the Hyatt Centric Koreatown) which could add to hotel room supply for the Convention Center.

The Developer has indicated that the proposed hotel project requires financial assistance to construct and has requested that the City consider providing economic incentives such as those that have been provided to other hotel projects. As with previous projects, the Developer would provide funds to support any independent economic and fiscal analysis necessary to evaluate their proposal.

I THEREFORE MOVE that the City Council authorize and instruct the Chief Legislative Analyst to hire consultants necessary to evaluate the proposed Hyatt Centric Koreatown 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:


HERB J. WESSON, JR.
Councilmember, 10th District

SECONDED BY:



DEC 11 2019



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